

Dairy Policy Action Coalition (DPAC) Minutes

December 10, 2009—1:00 – 3:30 p.m.

at 890 North Reading Road, Ephrata, PA 17522

Charter Board Members present: *Pennsylvania*—Clifford Hawbaker (chairman), Rob Barley (vice-chair-1), Daniel Brandt (vice-chair-2), Levi Fisher (standing in for Charter Member Jake Esh), Duane Hertzler, Paul Horning, Jim Kennedy, Doug Martin, Zack Meck, Dan Z. Stoltzfus, Nelson Troutman. *Ohio*—Alan Kozak

Charter Board Members by phone: *Pennsylvania*—Dale Hoffman, Sheryl Vanco, Logan Bower

Additional Dairy Producers by phone: *New York*—Dale Covert

Recording Treasurer: Bernard C. Morrissey

Correspondence Secretary: Sherry Bunting, Ag Writing Services

Gov. Relations/Advocacy: Dennis Wolff and Noah Wenger, Versant Strategies

PROCEEDINGS:

PreMeeting Lunch Discussion 12:00 to 1:00 p.m.

- Vice-chair Daniel Brandt reported on PA Senate Agriculture and Rural Affairs Committee hearing on milk price transparency conducted Dec. 9, 2009 in Harrisburg, where Brandt was one of four dairy producers who testified. Brandt's submitted written testimony on behalf of DPAC is attached.

Business Meeting called to order at 1:00 p.m. by chairman Cliff Hawbaker

Charter Board Organization:

- Vice-chair Rob Barley presented the executive board report and DPAC bylaws, explaining the bylaws were written using a model for nonprofit organizations without a dues paying membership. He said the bylaws were drafted with simplicity in mind, allowing for further details under policies and procedures.
- During Board discussion, the bylaws were amended to add “of active dairy producers” under Article II, Section 1 – Membership – to read: *Membership shall consist of the Board of Directors and the grassroots dairy producer action groups and resource groups of active dairy producers.*
- There was discussion of wording under Article IV, Section II, where the last sentence reads: *The financial records of the organization are public information and shall be available to board members and to the public.*
- The Board discussed posting minutes and treasurer's reports on the DPAC website that is under construction and to provide these items to anyone upon request. Jim Kennedy suggested having an attorney closely review this section to avoid potential unintended consequences or misinterpretations of the implied standard for “public information.” He suggested an attorney could advise DPAC on the wording necessary to uphold DPAC's desire for complete transparency without undue burden or cost to the coalition in how to make these documents public.

- Jim Kennedy moved to approve the bylaws—as amended under Article II, Section I and subject to attorney review. Doug Martin seconded the motion. The motion passed 15-0, and the Charter Members, who were physically present, signed the DPAC bylaws and charter. Those present by phone will have opportunities to sign at a later date.
- Nelson Troutman moved to approve the Charter Members as the Charter Board of Directors. Paul Horning seconded the motion, and the motion carried 15-0.

Approval of Minutes:

- Duane Hertzler motioned to approve the minutes of DPAC’s first organizational meeting on November 19, 2009. Hearing no corrections or amendments, Alan Kozak seconded the motion, and the minutes were approved 15-0.

Consent Agenda—Ratify Actions of Charter Members on Nov. 19, 2009:

- Rob Barley motioned to ratify all actions approved by the Charter Members at the first organizational meeting on Nov. 19, 2009. Dan Stoltzfus seconded, and the following items were ratified 15-0 as detailed in the Nov. 19 minutes:
 - Name and address – Dairy Policy Action Coalition, 890 N. Reading Road, Ephrata, PA 17522.
 - Election of Cliff Hawbaker as chairman and Rob Barley and Daniel Brandt as vice-chairs;
 - Appointment of professional team: Dennis Wolff of Versant Strategies as public affairs and government relations representative and Sherry Bunting’s Agriculture Writing Services as correspondence secretary;
 - Appointment of Bernard C. Morrissey as recording treasurer with oversight by the two vice-chairs per the DPAC bylaws;
 - Pursuit of immediate actions pertaining to milk price transparency as detailed in the Nov. 19, 2009 minutes and in the updated “about us” one-pager.

Organizational Vision:

- Chairman Cliff Hawbaker used a flow-chart (attached) to illustrate the DPAC organizational vision, depicting Action and Resource Groups of active dairy producers, and the point of communication via website and updates as the “hub” linking DPAC with grassroots producers at-large. The flow-chart also depicted the Adhoc Members Action Group working to bring grassroots dairy producers into DPAC from additional states, which eventually could be organized into regions.
- He explained that as the coalition expands by numbers and geography, producers from other regions would move into a so-called “second row,” and eventually the Charter Board would become more representative of DPAC as a truly national coalition.
- Alan Kozak motioned to approve the organizational vision. Doug Martin seconded, and the motion carried 15-0.

Appointment of Action Groups:

- Chairman Cliff Hawbaker appointed two more Action Groups:
 - *Media and Information Action Group* – Laura Covert (NY), Dale Hoffman (PA) and Logan Bower (PA). They will work with the correspondence secretary and Versant Strategies on the website and other points of communication, with emphasis on a positive communication mindset for the flow of information between DPAC and grassroots producers at-large.
 - *Adhoc Members Action Group* – Duane Hertzler (PA) and Alan Kozak (OH). They are working together to identify producers and grassroots groups in other states for involvement in DPAC.

Professional Team Reports – Public Affairs and Government Relations:

- Dennis Wolff updated the Board on immediate objectives. He distributed copies of the 2008 Farm Bill Dairy Title and discussed sections not yet implemented by USDA pertaining to the areas of concern identified by DPAC.
- Wolff also discussed the PA Milk Marketing Board (PMMB) over-order premiums and the public record of testimony at the PA Senate Ag Committee hearing on milk pricing transparency, where the capture and return of over-order premiums, along with equitable distribution through ‘pooling,’ were the subject of various testimony. He also distributed and discussed a summary of the 2003 Joint Senate and House Ag Committee hearing on PMMB regulations for ‘pooling’ of over-order premiums.
- The Board discussed these approved immediate actions on federal and state policies:
 - 1) *Price Reporting*: Urge implementation of more frequent (daily) electronic USDA NASS price reporting (with auditing) and include more products, like fresh Italian cheeses, yogurt, etc.
 - 2) *Inventory Reporting*: Urge USDA to implement mandatory dairy product inventory reporting with auditing.
 - 3) *Anti-competition and market concentration concerns*: Provide comments and participate in the 2010 combined U.S. Department of Agriculture (USDA) and Department of Justice (DOJ) workshop on market transparency, concentration, and vertical integration in the dairy industry. The USDA/DOJ workshop on dairy is set for June 7, 2010 at the University of Wisconsin Great Hall, Memorial Union, 800 Langdon St., Madison, Wisconsin. The USDA and DOJ will also have a concluding event on “Margins” on December 8, 2010 in Washington, D.C. This final workshop will look at the discrepancies between the prices received by farmers and the prices paid by consumers.
 - 4) *Import assessment*: Urge USDA to implement import assessment of 7.5 cents per hundredweight equivalent as in 2008 Farm Bill Section 1507.

5) *Federal Milk Marketing Order Review Commission*: Urge Congress to insist on and appropriate the necessary funds for USDA to implement the **Federal Milk Marketing Order Review Commission** as called for in Section 1509 of the 2008 Farm Bill. DPAC believes this Federal Review Commission should be formed in accordance with the description in the Farm Bill—instead of or in addition to Sec. Vilsack’s Dairy Advisory Committee. The Secretary’s Committee has still not been officially named, but USDA’s description of this Committee differs in several important ways from the Federal Review Commission mandated by Congress in the Farm Bill.

- *First*, The Federal Review Commission would report its findings to Congress, whereas the Secretary’s Dairy Advisory Committee would not report to Congress, but instead would report to the Secretary of Agriculture.
- *Second*, The make up of the Federal Review Commission, as detailed in the 2008 Farm Bill, is much better than the described composition of the Secretary’s Dairy Advisory Committee. The Federal Review Commission, for example, would include four experts in dairy economics from land-grant universities, four producers, four processors, one food and beverage retailer and one representative of a national consumer organization.

6) *PMMB over order premium*: Continue efforts since testifying at the Dec. 9 PA Senate Ag Committee hearing to improve transparency and equitable distribution of PMMB over-order premiums.

- The New York producers participating by phone voiced their thanks for the activity that is happening on the issues DPAC is immediately pursuing.
- The Board discussed sending a letter from DPAC to the Pennsylvania State Attorney General and Auditor General calling attention to the public testimony on “stranded” milk over-order premiums during the December 9, 2009 Pennsylvania Senate Agriculture and Rural Affairs Committee hearing on milk price transparency.
- Dan Stoltzfus motioned to have the professional team draft a letter for chairman Hawbaker to sign and send to both the state Attorney General and Auditor General to find out where the state’s over-order premium dollars are going that are not coming back to the farm. Zack Meck seconded the motion, and the motion carried 15-0.

Professional Team Reports – Correspondence and Information:

- Sherry Bunting presented the producer and agribusiness donation forms, DPAC logo, and information about the DPAC website.

- Jim Kennedy motioned to approve the printing and distribution of both the “Dear Fellow Dairy Producer” and “Dear Friend of the Dairy Producers” donation letters. Dan Stoltzfus seconded the motion, and the motion passed 15-0.
- After brief discussion of the website domain name, Alan Kozak motioned to approve the purchase of *www.dpac.net* as the DPAC website URL and for the Media and Information Action Group to work with Bunting on content and Versant Strategies on design to get the website up and running by the next meeting. Doug Martin seconded the motion, and the motion passed 15-0.
- During the media and information discussion, Kozak talked about the importance of having a leadership and professional team member attend events in other states. He noted that Ohio is planning a meeting for dairy producers to learn more about the “tremendous opportunity” DPAC offers to speak with one voice and actively participate in dairy policy. Dennis Wolff said he would attend this meeting.

Next Meeting:

- The Board agreed to target the second Thursday of each month for DPAC Board meetings. There was discussion of using web communication tools to have virtual meetings by web-cam or internet/conference calls and to periodically have the meetings in other areas to cut down on travel time and expense of the widely dispersed members of the Charter Board, particularly as producers from more states join the ranks.
- Because the second Thursday of January coincides with Dairy Day at the PA Farm Show, the DPAC Board agreed to have the next meeting January 14, 2010 at the Farm Show Complex to accommodate larger attendance by grassroots producers and to give key lawmakers and public officials the opportunity to attend.
- **The next DPAC Board meeting will be January 14, 2010—Noon to 1:30 p.m.—in Room C at the Farm Show Complex, Harrisburg, Pennsylvania. The Board’s business meeting will be followed by a grassroots producer meeting from 2:00 to 3:30 p.m.**

The Dec. 10, 2009 DPAC Board meeting adjourned at 3:30 p.m.

Executive Board – 3:30-4:30 p.m. December 10 (following DPAC committee of whole):

- Chairman Cliff Hawbaker discussed a “blank page” approach on future milk pricing policy in anticipation of appointing a Milk Pricing Action Group. He identified some of the challenges and asked the question: “What would producers want this to look like if they were able to start with a blank page?”
- Vice-chair Rob Barley noted that this evaluation should also look at how milk is priced in other countries to get a sense for the global perspective – what works, what doesn’t work.

- The executive board discussed the importance of finding “what producers agree on” and to look at aspects of pricing before taking on the consideration of supply management since that could/would be affected by policies on how milk is priced.
- Denny Wolff talked about the “White Paper” drafted when he was formerly PA Secretary of Agriculture and held a roundtable to look at dairy policy in preparation for the 2007 Farm Bill. This White Paper was subsequently emailed to all DPAC Board members for informational purposes.
- The executive board also spent time planning the January 14, 2010 DPAC meeting at the PA Farm Show Complex during Dairy Day at the PA Farm Show.
- Chairman Cliff Hawbaker proposed using the two hours after the Board’s business meeting as time to present the DPAC organizational vision to producers attending the grassroots portion of the meeting, along with having the professional team give a milk pricing update.
- Hawbaker suggested inviting PA Secretary of Agriculture Russell Redding to give remarks (Sec. Redding subsequently accepted this invitation).
- The executive board stressed the importance of having time for “open comments” to receive producer input, and then to wrap up with a challenge to fellow dairy producers to get involved, sign up on the email list for E-Updates, visit the website for ongoing information, join the coalition efforts with their donations and to talk to their agribusiness vendors at home about “friend of DPAC” donations.
- The executive board also agreed to have Bernie Morrissey invite key state and federal legislators to the Jan. 14 meeting. It was noted that legislators in Harrisburg and Washington have been receiving minutes and updates of DPAC activities and have shown great interest in DPAC as a grassroots coalition of dairy producers.
- Sherry Bunting was asked to coordinate printing of the “Dear Fellow Dairy Producer” letters for insertion in Jan. 1, 2010 Farmshine. (20,000 were printed and 17,000 were inserted in Farmshine).
- Bernie Morrissey made his booth at Keystone Farm Show available as a DPAC booth. Sherry Bunting agreed to attend Tuesday, Jan. 5 to answer questions of booth visitors wanting to know more about DPAC. Cliff Hawbaker volunteered to cover the booth Wednesday, Jan. 6. And Bernie Morrissey volunteered to cover the booth on Thursday, Jan. 7. Bernie Morrissey will set up a DPAC banner at the Morrissey booth and Sherry Bunting published the booth # and location in DPAC updates in Farmshine.

Respectfully Submitted by:

Sherry A. Bunting

DPAC Correspondence Secretary

January 2, 2010