

Dairy Policy Action Coalition (DPAC) Minutes

January 14—12:00 – 1:30 p.m.

at Farm Show Complex, Harrisburg, PA

Charter Board Members present: *Pennsylvania*—Clifford Hawbaker (chairman), Rob Barley (vice-chair-1), Daniel Brandt (vice-chair-2), Jake Esh, Duane Hertzler, Paul Horning, Jim Kennedy, Doug Martin, Zach Meck, Dan Z. Stoltzfus, Nelson Troutman, Rodney Metzler, Max Smith, Eric Frederick, Dale Hoffman, Gary Kline, Sheryl Vanco, *Ohio*—Alan Kozak

Recording Treasurer: Bernard C. Morrissey

Correspondence Secretary: Sherry Bunting, Ag Writing Services

Gov. Relations/Advocacy: Dennis Wolff and John Barley, Versant Strategies

Special Guests during Open Comment after Business Meeting:

- 40 dairy producers
- PA Secretary of Agriculture Russell Redding
- PDA Chief Counsel Brooke Duer
- State Rep. John Maher
- House Ag Policy Director Jay Howes
- Ben Stoltzfoos and Tom Tillet from U.S. Rep. Joe Pitts' office
- Erick Coolidge, Tioga County dairy producer recently named to U.S. Ag Secretary Tom Vilsack's Dairy Advisory Committee

PROCEEDINGS:

Business Meeting called to order at 12:10 p.m. by chairman Cliff Hawbaker with 14 board members present; 4 more board members plus Secretary and Treasurer arrived at about 12:40 p.m.

Approval of Minutes:

- Nelson Troutman motioned to approve the Dec. 10, 2009 minutes. Hearing no corrections or amendments, Alan Kozak seconded the motion, and the minutes were approved 14-0.

Executive Board Report

- Rob Barley asked for questions on the Executive Board report, which had been sent prior to the meeting. Brief discussion followed. Duane Hertzler motioned to approve the Executive Board report. Dan Brandt seconded, and the report was approved 14-0.

Adhoc Members Action Group Report:

- Duane Hertzler and Alan Kozak reported on their work (along with Sheryl Vanco) on identifying a “second row” of dairy producers in other states / regions, who are interested in participating in DPAC, as well as resource people who could provide information about dairy pricing in their regions.

- Hertzler and Kozak said people are very interested in DPAC’s effort to unify producers in policy development. The newly established website is seen as a good platform for communication and for understanding of mission and goals.
- Many contacts indicated they are part of other group efforts, which have been in existence for six months or longer and had been focusing strategically on supply management. However, they say they have made little progress in that area.
- Kozak said it will take a monumental effort to get DPAC participation in other states, but it is doable.
- Kozak and Hertzler said the concept of supply management keeps coming up and at some point DPAC will have to take a stand. Board discussion followed. Chairman Hawbaker and vice-chairs Daniel Brandt and Rob Barley indicated supply management discussion should come after the Milk Pricing Action Group does its work in surfacing ideas for the board to consider on the way milk is priced.
- Chairman Hawbaker said DPAC’s Supply Management Action Group would be appointed at the next Board meeting along with their direction to surface ideas and proposals and work alongside the Milk Pricing Action Group. It was recognized that the ideas that come forward on milk pricing will have a definite effect on discussions of supply management.
- The Adhoc Members Action Group concluded their report saying they continue to talk with producers in other regions, and Kozak continues to work closely with the eastern Ohio producers.
- Hertzler and Kozak presented the names of 16 interested producers and resource people, including two from New York, three from California, one from Indiana, one from Tennessee, one from Minnesota, one from Michigan, one from Wisconsin, one from Georgia, and one from Virginia.

Treasurer’s Report:

- Bernie Morrissey distributed an alphabetized list of donations from producers and agribusinesses as well as DPAC expenses.
- Contributions through Jan. 13, 2010 totaled \$20,115.00 from 12 agribusinesses and 37 dairy producers.
- Expenses paid Jan. 1 through Jan. 13, 2010 totaled \$7,363.31, itemized as:
 - \$ 730.00 Yoder’s Printing (donation letters and DPAC envelopes)
 - \$1210.00 Agriculture Writing (Sherry Bunting) Correspondence and Fundraiser mailing
 - \$ 175.00 Morgan, Hallgren, Crosswell - Office Conference
 - \$5225.00 Versant Strategies – Relations Services December 2009 (contract amount plus expenses)
 - \$ 23.31 Staples/Craig Morrissey “For Deposit Only” stamp with an ending balance on January 13, 2010 of \$12,751.69
- This leaves a Jan. 13, 2010 ending balance of \$12,751.69.

- Rob Barley motioned to approve the Treasurer's Report. The motion was seconded by Doug Martin and carried 18-0.

By-laws Update:

- Attorney Francis Searer is still working on DPAC's Articles of Incorporation and attorney Walter Cohen is reviewing the by-laws.
- Morrissey updated the Board that attorney Searer has indicated that DPAC, as a non-profit coalition, must incorporate as a 501C6 (instead of 501C3) in order to lobby Congress.

Directors and Officers Insurance

- Morrissey reported three price quotes for D&O insurance, ranging from \$1400 per year (Federal) to \$5100 per year (North River) to have \$1 million in liability coverage, including attorney fees and a \$5000 deductible.
- Morrissey also reported general liability for meetings was quoted by Federal at \$500 per year.
- After brief discussion, Alan Kozak motioned to approve purchasing the General Policy at \$500 per year and the Directors and Officers Liability Policy at \$1400 per year from Federal. Rodney Metzler seconded the motion and it passed 18-0.

Media and Information Action Group Report:

- Sherry Bunting discussed the launch of DPAC's website, which was up and running as of January 12, 2010.
- The website includes a sign-up area for email updates.
- Minutes are posted along with other information about DPAC.
- Versant Strategies hired the web designer and once the content management is turned over, Bunting will update the website regularly and do web-based email updates through Constant Contact.
- Dale Hoffman noted that PA producers know about DPAC but NY producers do not. He suggested getting DPAC (maybe via Denny Wolff) on the agenda of the Northeast Dairy Leadership Team.
- Others asked if DPAC should reach out to Dairy Farmers Working Together via Amanda St. Pierre. (DFWT has since contacted Alan Kozak asking for a meeting with DPAC and U.S. Milk Producers in California).
- Bunting reminded everyone that DPAC updates have been running in Farmshine on a weekly basis, and that Farmshine is considering a free one-year subscription to anyone who donates money to DPAC and is not currently receiving Farmshine.
- Denny Wolff suggested updates could be sent to Holstein World and Dairy Agenda Today. Bunting said she would check with Dairy Agenda Today to see if they will post a link to DPAC website.

- Board members emphasized the website as a communications tool and wondered about tracking the number of “hits.” Bunting said she would ask the web designer to add a tracking function.
- To facilitate communication, a Dairy Producer Survey is being developed for:
 - posting on the website by second week of February.
 - publishing in Farmshine the first or second week of February.
 - Bunting asked for Board members to email or call with survey ideas.
 - Several Board members referenced the Dairy Farmers of America (DFA) survey they had previously received and asked that the DPAC survey be handled differently to give producers the opportunity to provide comments and ideas instead of just filling in boxes on whether they agree or disagree with various statements.
 - Bunting added that she is typing and organizing the handwritten comments that accompany many producer donations.
- Bunting also updated the Board on past and future producer meetings where DPAC would have a presence, including
 - Keystone Farm Show (past) – first week of January
 - Bradford County, PA Holstein Club – Jan. 30 (Wolff and Morrissey)
 - Northeast Ohio grazing conference – Jan. 28-29 (Kozak)
 - Kentucky Dairy Development Council meetings Feb. 18-19 (Bunting)

Professional Team Reports – Public Affairs and Government Relations:

- Morrissey and Wolff updated the Board on Jan. 13 meeting with PA State Senator Mike Brubaker. Brubaker did not attend DPAC Jan. 14 public meeting at Farm Show as he left for Florida meeting with the State Agricultural and Rural Leaders (SARL) group. This is a group made up of state senators and representatives from across the U.S., who chair the ag and rural affairs committees in their respective state’s assemblies.
- Hawbaker reported that the meeting with Sen. Brubaker was an important exchange of information on dairy policy and that Sen. Brubaker could help make legislative leaders in other states aware of the coalition’s efforts.
- Denny Wolff reported his contact with members of Pennsylvania’s congressional delegation during the Pennsylvania Farm Show. He will be following up with these senators and representatives with seats on U.S. House and Senate Ag Committees and Senate Appropriations Committee during his trip to Washington D.C. on Jan. 26 and 27.
- Wolff said he is focusing on two specific areas:
 - *Nonfat dry milk reporting process* – Farm Bill calls for report to Congress on the misreported milk and its effect on the dairy industry. This has not yet happened.

- *Mandatory electronic daily reporting of dairy commodity prices* – Farm Bill calls for USDA to implement mandatory electronic reporting, which has not been implemented due to “lack of funding.”
- Wolff reported that DPAC can have best success on short term items if the coalition picks specific topics with specific pressure to have them resolved.
- On the Pennsylvania front, Wolff reported that DPAC vice chair Daniel Brandt testified at the House Republican Policy Committee hearing on the dairy crisis in Berlin, PA on Jan. 12. The hearing was hosted by Rep. Carl Metzgar, who is a member of the PA House Ag Committee. Dan was a late entry to present testimony at the hearing, after DPAC’s testimony was specifically requested.
- Brandt added that the turnout at the hearing was good with 12 members of the PA House and 45 to 50 Somerset County, PA dairy farmers.
- Brandt said there is high interest for pooling of the state’s over order premium: It is something the legislature could tackle right away, and it is something that 80% of dairy producers bring up right away when talking about the Pennsylvania Milk Marketing Board (PMMB) over order premium.
- Brandt’s testimony was provided to the Board and is posted at the DPAC website.
- Testimony included recommendations to potentially change the statute’s definition of when milk changes ownership and who is a “producer” (cooperative vs. farmer) and to restore PMMB’s authority to license retailers to follow the money that travels with milk going out of the state and then back into the state.
- Brandt also reported that the legislators at the Jan. 12 hearing in Berlin, PA said they are hearing about pooling of the over order premium from many of their farmers.
- Wolff said part of the legislative strategy is to find the over order premium dollars that are “stranded” in the system.
- A question was asked about how the PMMB issues affect producers in other states since DPAC is a nationally focused coalition. Rob Barley explained that getting the over order premium “right” in PA can be a beacon or template for other states who have or want over order premiums for fluid milk.

Appointment of Milk Pricing Action Group:

- Chairman Cliff Hawbaker appointed the following members to the Milk Pricing Action Group:
 - Rob Barley – chair
 - Dale Hoffman – vice chair
 - Daniel Brandt
 - Sheryl Vanco
 - Dan Z. Stoltzfus
- Hawbaker said the time is now to develop long term policy. We can’t wait for 2012.

- Hawbaker encouraged the Milk Pricing Action Group to take a “blank page” approach, to surface ideas and then look at the tools that are already in place as well as proposals to see where and how they apply.
- As chair of the Milk Pricing Action Group, Rob Barley will pull producers into the group from other states as well as resource people, whom they can ask questions or use as a sounding board.
- The objective is for the Milk Pricing Action Group to plan the options for discussion at the full DPAC Board meeting in March, which is tentatively planned as a full-day milk pricing workshop meeting.
- Hawbaker said “transparency” is a key word for the organization. He said that dairy producers are at a crossroads and the coalition needs to look at milk pricing with attention on the dairy producers and unify producers behind one plan.
- He said supply management questions should be handled by the Supply Management Action Group, which will be appointed in February.
- Wolff distributed “Basic Milk Pricing Concepts for Dairy Farmers” by Ed Jesse and Bob Cropp at Univ. of Wisconsin. Barley suggested posting “resource” pieces like this on the website so other dairy producers “can be reading what the Milk Pricing Action Group is reading.” Bunting said information like this could be archived in a “Food for Thought” section of the website.

Next Meeting:

- The Board agreed to have their next business meeting by conference call on Feb. 9 at 1:00 p.m. and tentatively scheduled the next physical meeting to be March 11 from 10 a.m. to 2 p.m. as a milk pricing workshop.

The January 14, 2010 DPAC Board meeting adjourned at 1:30 p.m.

Grassroots Informational Meeting – 2:00-3:30 p.m. January 14 (following DPAC Board business meeting):

- See DPAC Action Updates at www.dpac.net (or Jan. 22 and 29 editions of Farmshine) for reports from this portion of the January 14 meeting.

Respectfully Submitted by:

Sherry A. Bunting

DPAC Correspondence Secretary

February 5, 2010