

Dairy Policy Action Coalition (DPAC) Minutes

February 9—1:00 – 2:40 p.m.

By Conference Call

Charter Board Members present on the Call: *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, Dale Hoffman, Jon Jenkins, Sheryl Vanco, *Ohio*—Alan Kozak

Recording Treasurer: Bernard C. Morrissey

Correspondence Secretary: Sherry Bunting, Ag Writing Services

Gov. Relations/Advocacy: Dennis Wolff, Versant Strategies

Guests on the call:

- Dean Jackson, dairy producer, Columbia Crossroads, Bradford County, PA

PROCEEDINGS:

Business Meeting called to order at 1:10 p.m. by chairman Cliff Hawbaker with 14 board members on the call; 3 more board members arrived on the call for a portion of the Board's business.

Approval of consent items:

- ***Jan. 14 Board Minutes***
- ***Jan. 29 Executive Board Report***
- ***February Treasurer's Report (included below)***
- Doug Martin motioned to approve the Minutes, Executive Board Report and Treasurer's Report. Paul Horning seconded the motion. A question was raised about making sure all expenses are clearly itemized in the Treasurer's Report. The Secretary will type a report to go out in the Board packets along with the Excel sheet to be sure all fields of information are viewable. The three reports were then approved 14-0.

Treasurer's Report:

- The beginning balance on Jan. 14, 2010 was \$12,751.69.
- Contributions from Jan. 14, 2010 through Feb. 5, 2010 totaled \$10,110.00 from 5 agribusinesses and 57 dairy producers.
- Expenses paid Jan. 14 through Feb. 5, 2010 totaled \$7,921.73, itemized as:
 - \$ 162.45 Dan Brandt mileage & tolls (Testimony in Berlin, PA)
 - \$1038.00 Searer, Schrum & Searer – Legal Services
 - \$ 96.28 Premiere Global Services – Conference Call Service
 - \$5225.00 Versant Strategies – Relations Services January 2010 (contract amount plus expenses)
 - \$1400.00 Morrissey Insurance – Directors & Officers Insurance
- This left a Feb. 5, 2010 ending balance of \$14,939.96.

Fundraising Action Group Report:

- Bernie Morrissey reported that the Fundraising Action Group had its first conference call meeting on Feb. 2, 2010. He said they emphasized the importance of personal contact between dairy farmers and their vendors, as the agribusinesses have been slow to respond with contributions. He also said help is needed from every dairy farmer, even as the list of contributing farmers surpassed 100 to date.

Bylaws and Articles of Incorporation Update:

- Bernie Morrissey reported that copies of the Articles of Incorporation were signed by the Executive Board and mailed to attorney Francis Searer on Feb. 5. Searer is in the process of filing these and the 501c6 status is being processed. The filing of these documents should be complete by the end of the week.
- Attorney Walter Cohen is reviewing the bylaws now that the Articles of Incorporation are complete. He will contact the Executive Board for a conference call to discuss the bylaws review.

Appointment of Supply Management Action Group

- Chairman Cliff Hawbaker appointed the following members to the Supply Management Action Group:
 - Jon Jenkins – chair
 - Gary Kline – vice chair
 - Jim Kennedy
 - Paul Horning
 - Rodney Metzler
 - Dean Jackson, a dairy farmer from Columbia Crossroads, Pa., who is not a DPAC board member. Dean is a Bradford County delegate to the Pennsylvania Holstein Association.
- The responsibility and expectations for this action group are to identify all supply management proposals and develop recommendations that complement the Milk Pricing Action Group's ideas.
- The action group's chairman Jon Jenkins stated: "I would really like to see one proposal for the next Farm Bill versus 4 or 5."
- Hawbaker encouraged an approach that is open minded and flexible in looking at supply management of classes versus all milk and even regional versus national.
- The Supply Management Action Group is looking for resource people and producers from other regions to get their perspective.

Professional Team Reports – Public Affairs and Government Relations:

Plans for Feb. 17 legislative meeting with Sen. Mike Brubaker

- Dennis Wolff reported on an upcoming meeting planned with PA Senator Mike Brubaker, which has been rescheduled to Feb. 17. Wolff, along with Bernie Morrissey, the DPAC Executive Board, and the DPAC State Pricing Action Group

will be attending. Morrissey said other board members are welcome to attend, just let him know by Feb. 12.

- The meeting with Sen. Brubaker (chair of Senate Ag Committee) is to discuss Pennsylvania issues relating to the PA Milk Marketing Board (PMMB) and to see what interest the Senator has in reviewing three areas of the Milk Marketing Law:
 - 1) Retail level sales of milk – PMMB previously had authority to regulate and track milk sales at the retail level, which may help in capturing the sales of milk that is produced and processed in the state, goes out of state to a distribution center and comes back in for resale.
 - 2) The definition of where the title of the milk changes hands. Language here could similarly help capture over order premiums on PA milk that leaves the state for processing and comes back in for retail.
 - 3) Pooling recommendation (100% pooling of the state over order premium) back to the farmers. Language could include who is responsible for collecting and redistributing the premiums.
- After some discussion on all three points, Daniel Brandt made a motion to pursue all three changes to the PA Milk Marketing Law and have Dennis Wolff work with legislative staff to write language for these changes. Nelson Troutman seconded the motion and discussion continued.
- Dale Hoffman wanted to know how the third item on pooling would affect what the Greater Northeast Milk Marketing Agency (GNEMMA), the cooperatives, are doing as they are reportedly planning to petition the PMMB for partial pooling as an administrative rule change.
- Brandt explained that the difference is DPAC has been supporting full pooling where the GNEMMA petition will be partial pooling.
- Hearing no further questions or discussion, chairman Hawbaker called for the vote and the motion carried 17-0.

Washington Update

- Wolff briefed the board on his discussions in Washington with the congressional delegation. “They are looking for something on a list,” he said. “They tell me they know there is a problem, but they need to know what dairymen want to do about it. Having the uniformity of one voice is very important,” said Wolff.
- While in Washington, Wolff met with Joe Gaynor (NASS), who is responsible for collecting dairy reports from manufacturers to determine price of product. NASS then gives this information to USDA Agricultural Marketing Service (AMS), and they plug it into the formulas for either the advance Class I base (mover) or the month end Class II, III, IV prices and components. He said some plants already do their reports electronically, but the NASS Survey is weekly, not daily.
- USDA does not know the “price tag” on what it would cost to implement the mandatory electronic reporting as authorized in section 1510 of the 2008 Farm Bill.

- Wolff also met with Sen. Arlen Specter's senior legislative assistant, Adam Tarr, to talk about DPAC's agenda—focusing on sections of the dairy title in the current Farm Bill that have not yet been implemented and seeking a meeting to look at and review with USDA Agricultural Marketing Service (AMS) what the cost would be to move the mandatory electronic reporting (section 1510) forward.
- Adam Tarr from Sen. Specter's office will likely take the lead on the electronic reporting as Sen. Specter is a member of the Senate Appropriations Committee. He said he would contact USDA to try to set up a meeting to determine a budget cost for implementing the dairy sections of the current Farm Bill that deal specifically with price discovery. DPAC hopes to be at the table on this.
- The Trans Pacific Partnership Free Trade Agreement was another topic. All members of Pennsylvania's congressional delegation (Specter, Casey, Dahlkemper, Thompson, Holden) are aware of this and they are "on our side." Sen. Specter has already sent a letter to Pres. Obama.
- DPAC's agenda was also well received by Tim Holden's office, where Wolff spoke with Jake Kuhns. Wolff also spoke with Dan Hill at Sen. Bob Casey's office and Liz Hermsen at U.S. Rep. Kathy Dahlkemper's office. They were all very supportive of our efforts and said it is refreshing to have a specific achievable agenda they could work on.
- "Legislators all seem eager to work on these specific 'asks' for the short term," said Wolff. "They are hungry for good structured suggestions, and we want to help with that."
- Wolff reported that Pennsylvania has a pretty good shot at hosting a Farm Bill hearing in the next couple months. DPAC needs to be ready to be positioned with testimony.

Ohio meeting

- Alan Kozak reported his Holmes County, Ohio group had a good meeting with Dennis Wolff. He said DPAC was well received and the Ohio group decided to align with DPAC. They are planning a large group meeting at Mt. Hope Auction Barn on Feb. 22, and Wolff will be the keynote speaker introducing DPAC to more Ohio producers.
- Kozak also reported that three Ohio producers have gone to the dairies they ship to and filled out forms to have a penny per hundredweight deducted from their milk checks to send as donations to DPAC.
- Rob Barley reminded everyone that DPAC cannot be involved in milk check assessments unless the assessments are specifically authorized by the individual producer.

- Kozak clarified that the three producers took care of this themselves because they preferred the penny per hundredweight deduct as a way of making a monthly donation to DPAC.

Lebanon, PA meeting with Congressman Tim Holden

- Nelson Troutman reported on preparations for the meeting with Congressman Tim Holden (vice chair of U.S. House Ag Committee) on February 18 in Lebanon. Troutman, Zach Meck and Daniel Brandt are planning this meeting, which will be held at the Midway Church of the Brethren in Myerstown. The morning session will give other farmers an introduction to DPAC with Bernie Morrissey and Denny Wolff on the agenda. This will be followed by a lunch provided by Morrissey Insurance. Congressman Tim Holden will talk about dairy policy from 1:00 to 3:00. Goal is 75 farmers from Holden's district.

Correspondence

- Chairman Cliff Hawbaker reported that Vermont-based Dairy Farmers Working Together (DFWT) is reaching out to DPAC for a meeting. Kozak said he also received an email from Amanda St. Pierre at DFWT and they shared updates. He said they thought at some point there could be a meeting of the minds. Hawbaker said they could be involved with the DPAC supply management action group. Rob Barley, chairman of the milk pricing action group, said he would also contact Amanda before his group's next conference call meeting.
- Morrissey reported that Levi Fisher invited he and chairman Hawbaker to attend REB Consulting's producer meeting to talk about DPAC. (The meeting will be rescheduled to March due to snowstorm).
- Morrissey also reported on a Jan. 28 email he received from PA Rep. Tim Houghton of Chester County. He said he would like to hold a hearing in his district of Lancaster and Chester counties.
- Wolff reported that the Professional Dairy Managers of Pennsylvania (PDMP) asked him to join their conference call Monday, Feb. 15 to talk about DPAC.
- The PA Holstein Association also asked for DPAC to have a presence at the state convention. Dennis Wolff and Daniel Brandt took responsibility for that and Bunting said she would provide a poster and handouts.
- A letter of comment was sent to the U.S. Trade Representative Ron Kirk. In keeping with the Board's stance on imports as voted on at the first meeting, DPAC sent a letter signed by the Executive Board, which expresses deep concern about the Trans Pacific Partnership Free Trade Agreement negotiations that will begin in March. The letter opposes any expansion of dairy trade with New Zealand and other Pacific Rim countries that already export unregulated, untariffed milk protein concentrates to the U.S. as well as ample quantities of quota butter and cheese.

Dairy Producer Survey

- Sherry Bunting asked if the board had any suggestions or feedback on the draft Dairy Producer Survey. It is set for publication in Farmshine Feb. 12 and on the website by

Feb. 18. Survey responses are due March 5, and Bunting said she would generate a report for the board by March 8—before the next board meeting on March 11, which will be a milk pricing workshop.

- Bunting asked for Board approval of the survey, and said she wants to follow up with a “question of the week” or a biweekly poll to increase traffic to the website and get people communicating with DPAC.
- Dan Stoltzfus motioned to approve the Dairy Producer Survey in Farmshine and on the website. Rob Barley seconded the motion, and it passed 16-0.

Milk pricing action group report

- Rob Barley reported on the milk pricing action group’s first meeting by conference call Feb. 8, saying they discussed some of the long term pricing concepts the board has talked about, such as two classes of milk, eliminating the price supports and decoupling Class I.
- They also discussed two plans that were submitted—one from western PA nutritionist Harry Stugart and the other from western PA dairy producer Steve Mandl.
- The committee decided they are interesting plans and that they wanted some economists to “run them through their paces.”
- To follow up on this, Dennis Wolff was to contact Bob Crop at Univ. of Wisconsin, Mark Stephenson at Cornell and Jim Dunn at Penn State to see if they could provide feedback.
- Barley said he would contact other folks to participate in the full board’s milk pricing workshop March 11. Some of the names that surfaced as resource people were: Kurt Williams, Lanco; Ed Gallagher, Dairylea; Bill Curley, Blimling and Associates. Producers from other states: Bryan Gotham, New York; Jack Fritz, Tennessee.
- The milk pricing action group will hold its next conference call meeting Feb. 22.

Next Meeting:

- The next Board meeting on March 11 from 10:00 to 2:30 p.m. will be set up as a milk pricing workshop. The location is to be announced. Conference call speaker phone capability will be needed for distant participants.

The Feb. 9, 2010 DPAC Board meeting by conference call adjourned at 2:40 p.m.

Respectfully Submitted by:

Sherry A. Bunting

DPAC Correspondence Secretary

February 27, 2010