

Dairy Policy Action Coalition (DPAC) Board Meeting Minutes

January 21, 2011—1:00 p.m. – 3:00 p.m.

At 890 N. Reading Rd., Ephrata, PA and by teleconference

Board Members present: *Pennsylvania*—Cliff Hawbaker (chair), Rob Barley (vice-chair), Daniel Brandt (vice-chair), Paul Horning, Nelson Troutman, Dale Hoffman, Jim Kennedy, Zach Meck, Rodney Metzler, Duane Hertzler, Dan Z. Stoltzfus, Jake Esh. *Ohio*—Alan Kozak. *New York*—Laura Covert. *Indiana*—Dave Forgey. *Wisconsin*—Sue Schultz. *Tennessee*—Jack Fritz.

Ad hoc Producer Members present: *Minnesota*—Joe Borgerding.

Professional Team present: *Recording Treasurer* - Bernard C. Morrissey. *Correspondence Secretary* - Sherry Bunting, Ag Writing Services. *Gov. Relations/Advocacy:* Dennis Wolff, Versant Strategies.

Guests: *Wisconsin*—David Cooper, Family Dairies, Madison, WI. *Tennessee*—Julie Walker, Southeast Dairy Coalition and AgriVoice Enterprises.

PROCEEDINGS:

Chairman Cliff Hawbaker called the Board business meeting to order at 1:05 p.m. with 17 board members present; one ad hoc member present; all three members of the professional team present; and two guests present.

Approval of Minutes, Treasurer's Report and Executive Board & Activities Report:

- Dan Stoltzfus motioned to approve the November Minutes, January Treasurer's Report and the current Executive Board & Activities Report, which were provided to directors before the meeting. Rob Barley seconded the motion, and it was approved 17-0.
- **Treasurer's Report:**
 - **The beginning balance on November 5, 2010 was \$ 13,683.87**
 - Contributions for two months from November 5, 2010 through January 15, 2011 totaled \$17,395.00 from 19 agribusinesses and/or organizations, and 16 dairy producers.
 - Expenses paid Nov. 5, 2010 through Jan. 15, 2011 totaled \$26,745.12, itemized as follows:

1) \$ 258.38	11/09/10Premier Global - Conference Calls
2) \$ 5725.00	11/09/10Versant Strategies – Relationship Services
3) \$ 50.00	11/09/10Andy Gaskin – website hosting/mgmt Nov 2010
4) \$ 261.93	11/16/10Bernie Morrissey – reimburse for 11/11 bfast
5) \$ 35.00	11/16/10PA Forage & Grasslands – reimburse Bernie's reg.
6) \$ 494.08	11/16/10Paige Eshelman—DPAC fundraising secretarial services 11/02 through 11/11
7) \$ 850.00	12/01/10U.S. Treasury, Form 1024 / Application Nonprofit
8) \$ 309.00	12/02/10Paige Eshelman—DPAC fundraising secretarial services 11/16/10 through 11/23/10
9) \$ 2145.37	12/02/10S. Bunting Agri. Writing Services – correspondence secretary Nov. services & expenses
10) \$ 76.47	12/09/10Staples/ Paige Eshelman – reimburse for office supplies / ink
11) \$ 100.00	12/09/10Bernard Morrissey – Office Rent Dec. 2010
12) \$ 1893.00	12/09/10Economic Analysis by Drs. Mark Stephenson & Chuck Nicholson
13) \$ 5725.00	12/16/10Versant Strategies – Relationship Services & Dec. 2010

14) \$ 50.00	12/16/10	Andy Gaskin – Website hosting / mgmt Dec 2010
15) \$ 203.80	12/16/10	Premier Global – Conference Calls
16) \$ 10.16	12/16/10	Staples/ Paige Eshelman – reimburse for 2 clipboards
17) \$ 426.00	12/16/10	Paige Eshelman – DPAC fundraising secretarial services 12/1/10 – 12/12/10
18) \$ 49.98	12/21/10	Misc/Paige Eshelman – reimburse for flowers to Dennis Wolff
19) \$ 50.00	12/21/10	Camp Victory – donation in memory of Dennis Wolff’s father
20) \$ 26.48	12/30/10	Misc/Paige Eshelman – reimburse for flowers to Sherry Bunting
21) \$ 64.43	12/31/10	Staples/Paige Eshelman – reimburse for 2 black ink cartridges
22) \$ 420.00	12/31/10	Paige Eshelman – DPAC fundraising secretarial services 12/13/10 – 12/23/10
23) \$ 50.84	01/06/11	Staples/Paige Eshelman – reimburse for 4 color ink cartridges
24) \$ 100.00	01/15/11	Bernard Morrissey – Office Rent Jan. 2011
25) \$ 1400.00	01/15/11	Morrissey Insurance – Renewal of Directors & Officers Insurance Coverage
26) \$ 500.00	1/15/11	Westfield Insurance – Renewal of General Liability Insurance Coverage
27) \$ 2862.50	01/15/11	Versant Strategies – Relationship Services & Expenses – ½ of Inv #1160 for Jan. 2011
28) \$ 50.00	01/15/11	Andy Gaskin – website hosting / mgmt
29) \$ 2105.25	01/15/11	S. Bunting Agri. Writing Services – correspondence secretary services and expenses Dec. 2010
30) 29.45	01/15/11	Staples/Paige Eshelman – reimburse for 2 black ink cartridges
31) \$ 423.00	01/15/11	Paige Eshelman – DPAC fundraising secretarial services 12/23/11 – 01/06/11

○ **This left an ending balance on January 15, 2011 of \$ 4,333.75**

- Bernie Morrissey (Treasurer) noted that all bills were paid except for half of Versant’s bill. With donations that have come in from Jan. 15 through Jan. 20, that bill was brought up to date. He said it is nothing short of amazing that the flow of donations to DPAC keeps the coalition always just ahead of its bills.
- Chairman Hawbaker noted that the funds are tight and that the main thing is for DPAC to be able to cover its bills. Board members are volunteering their time, donating to the coalition, and paying some of their own expenses for DPAC activities.

Legislative Update (Dennis Wolff):

- Denny Wolff reported that Washington D.C. preparation conference call Jan. 17 was a good discussion. Bernie Morrissey helped set up meetings with House Ag Committee staff and possibly the Chairman or a subcommittee Chairman.
 - This Jan. 25 meeting in Washington will be DPAC’s opportunity to roll out its platform and concerns to hit the key issues.

- Each of the five board members going to Washington (PA, NC, MN, IN) will have an area of policy to talk about. Rob Barley, Ben Shelton, Daniel Brandt, Dave Forgey and Joe Borgerding are putting their respective comments together and emailing to Rob Barley and Sherry Bunting to coordinate the packets.
- Denny also reported that the USDA Dairy Industry Advisory Committee (DIAC) has an initial draft in preparation for final recommendations to Sec. Tom Vilsack. People are impressed with the hard work this committee has put in.
 - The two controversial parts of DIAC draft recommendations are:
 - 1) Solids standards for fluid milk (DIAC wants to study this more to see the effect and benefits)
 - 2) Growth Management (DIAC was clear to state that this does not necessarily mean the committee supports NMPF's Foundation for the Future but that they are willing to consider growth management: vote 9 to 8)
- It was reported that the Holstein Association might fall in line with Foundation for the Future (FFTF) because it has a supply management piece.
- FFTF discussion has been that NMPF may have a bill ready by the beginning of February to move forward through sponsorship in the House.
- American Farm Bureau Federation had quite a floor debate in Atlanta the week of Jan. 14. Many AFBF dairy policy resolutions align with DPAC, for example:
 - Two class system
 - Eliminate Dairy Product Support Price (DPSP)
 - Daily reporting, with more plants reporting and more products reported
- AFBF resolution on supply management was contentiously debated: ended up with language to "consider a temporary form of supply management."
 - Some have expressed this opens door to FFTF.
 - Carl Schaeffer of PA Farm Bureau (PFB) said they definitely do not support supply management and they felt FFTF was supply management.
- In Pennsylvania, Senate Bill 1480 to amend PA Milk Marketing Law would have to be reintroduced in the new legislative session. Landscape has changed somewhat:
 - New Governor Tom Corbett is a Republican and will appoint new Secretary of Agriculture.
 - House and Senate both have Republican majority.
 - New House Ag Committee Chairman is John Maher.
 - Senator Mike Brubaker is still on the Senate Ag Committee but Senator Elder Vogel is the new Chair. He is a western PA dairy farmer.
- Denny reported that casual discussions are occurring on the content of SB 1480.
- A lunch or dinner appointment with Chairman Vogel is in the works to learn where he stands. He has come a long way since last fall, and is well aware that there is a phenomenal amount of interest in SB 1480.
- Sen. Mike Brubaker's request for response to SB 1480 has yielded a lot of constructive suggestions.

- Denny reported that we get one shot to amend the Milk Marketing Law if this bill is reintroduced so it's important not to miss anything that would make the law more effective.
- Denny and Rob Barley and Daniel Brandt reported on the meeting with Greater Northeast Milk Marketing Association (GNEMMA) – the cooperatives. They were to reply with their proposal for handling the pooled premiums as they are insisting that the funds be provided to the cooperatives for distribution to members instead of the settlement fund cutting checks directly to dairy farmers. This was one of the key points DPAC was seeking in SB 1480: to ensure the definition of “producer” is the dairy farmer and not the cooperatives for the purpose of receiving the state-mandated over-order premium paid by consumers and intended by law for the dairy farmers.

Action Group Reports & Regional Updates

- **STANDARDS & REGULATIONS:**
 - Chairman Alan Kozak reported that the Jersey Association and colleagues are planning to move a bill forward within the next couple of weeks on the fluid milk solids standards: *What information do we need in order to decide if we (DPAC) support that?* Denny Wolff suggested that once there is a copy of the bill, then the DPAC Standards and Regs Action Group, chaired by Alan, should review it and make a recommendation to the DPAC Board of Directors. Then, from our end, we could go back to our respective Congressmen and help get sponsorship.
- **MILK PRICING:**
 - Chairman Rob Barley talked about the Cornerstones white paper “working draft” which had previously been sent to the DPAC Board and ad hoc members.
 - New ad hoc member Joe Borgerding (JB) from Minnesota Milk Producers Association said he read the paper and believes DPAC has a good view on things.
 - Paper viewed as “good start” and backbone to build on that is close to the heart of farmers in the rural communities.
- **GLOBAL ISSUES:**
 - Chairman Dave Forgey reported on being at a conference in Kentucky the previous week and hearing a speaker with positive news on international trade.
 - Need to be prepared with policy and product
 - See Dave’s comments prepared for D.C. meetings as provided in the Exec Board & Activities Report (attached)
- **SOUTHEAST:** Chairman Ben Shelton was not on the call but had participated in the D.C. preparation call on Jan. 17.
 - Jack Fritz from Tennessee noted that there is a lot of work to be done on SCC. At a recent meeting in the Southeast, it was reported that 76% of herds are over 400,000 and 10% are over 750,000.
 - Jack also noted that processing plants are starting up in Tennessee. The world’s largest ice cream plant, a new yogurt plant, and cottage cheese production. Low state taxes and a great workforce are reasons given for processing capability coming to the Volunteer State.
 - **MEETINGS:** Opportunities to share DPAC coming up in February in North Carolina and Tennessee.

- **MIDWEST:** Sue Schultz, DPAC board member from Wisconsin, was on and off the call and David Cooper from Family Dairies was on in between. He reported from the Midwest:
 - He has opportunity to meet with NFO in Kansas City that week as he was on a panel that talked about the DOJ hearing in Madison last June and Washington last December.
 - Milk Producers Council (MPC) of California was on the panel and the message was “unity” on a plan to stabilize milk prices so it didn’t seem that they would resurrect the Costa/Sanders bill but perhaps be ready to support FFTF.
 - 1) Cooper said that MPC reported great suffering in the West at the current corn prices. They are anxious to rally behind something sooner rather than later.
 - Cooper also talked about Midwest meetings with DPAC. He said we need to determine the scope of the meeting and what we want to accomplish. Perhaps the way to go is a town hall meeting and have other groups represented as a Forum to bring out the issues?
 - David Cooper noted that the Midwest Dairy Coalition will have a conference call later that day and that DPAC would be on the agenda. He would ask them to conference with DPAC on several issues where we can help each other.
 - MIDWEST MEETINGS: Family Dairies annual business meeting in February – love to have DPAC come in but only 5 minutes or so available...
 - 1) FD will print Cornerstones and other materials and do a few slides. (300+ people)
 - 2) FD print materials to hand out at Professional Dairy Producers of Wisconsin – 1000+ meeting in March
 - 3) Sherry to send color files to FD USA for that printing
 - Dave Forgey said Indiana Professional Dairy Producers have a meeting and will print their own copies of DPAC materials for distribution.
 - Alan Kozak will have booth at Ohio Grazing meeting (500+) and Sherry will send printed copies of materials.
 - Joe from Minnesota also said he would shoot for DPAC presence at meetings in his state at the end of March or early April.
- **NEW YORK:** Laura Covert, board member from N.Y., said that a dairy-friendly former legislator – Aubertine – had been named Commissioner of Agriculture.
 - The N.Y. Farm Show is the end of February and she would like to get together with Bernie on fundraising strategy.
- **PA STATE ISSUES:**
 - Action group reported that Sen. Brubaker has a desire to reintroduce SB 1480 after reviewing all the input he has gathered.
 - Meeting with Lancaster County delegation from the House in a few weeks. Perhaps companion bill from House side.
 - Jim Kennedy reported that he has talked to leadership in House and Senate and it SB 1480 is on their radar screen. If two bills are put forward, they have to compliment each other or nothing gets done.

- **MILK MARKETING MODELS SUBCOMMITTEE:**
 - Cliff Hawbaker and Rob Barley led the brief discussion of the three page document: “Milk Marketing Models Outline for Feedback – Jan. 2011.”
 - First step is to get the document out there and flesh it out, put it through the wash and discuss again at Feb. Board Meeting.
 - Point is to really look at milk pricing and marketing with an open mind about what can be done, who would participate and at what level. And what type of working relationship can be established with the processors.
 - This outline is a conversation the MMM Subcommittee has had for several months and it is now in a format to read and respond.
 - Point is to “get aggressive” and start doing the things we can do in the market and to push the envelope on policy.
 - Homework for the next month is to read it and give feedback or bring feedback to Feb meeting.

New Business

- National Dairy Producers Organization follow up after Nov. 19 conference call with DPAC:
 - NDPO is active in DPAC’s core funding area of Pennsylvania. Farmers are confused.
 - DPAC and DPAC contributors continually receive questions: who is DPAC and who is NDPO and why aren’t they working together?
 - DPAC Board has operated under the belief that we can’t just stop working on the core issues we’ve identified just “waiting” for NDPO’s plan to be released.
 - JB from Minnesota said he worked with NDPO a few months, gave his \$80 and set up a state meeting, but it seems to be a top-down run organization, which is “opposite to how DPAC appears to run from bottom-up.”
 - Dave Forgey wondered if anyone from DPAC was going to World Ag Expo in California where NDPO is expected to unveil a plan.
 - Dan Z said he has talked with Tom Van Nortwick at NDPO numerous times: What can we do to help each other?
 - NDPO is strong on supply management and DPAC is strong on price discovery and price / market reform. Rob noted that NDPO focus is supply management first where DPAC focus is fix the system first.
 - Various board members, ad hoc members and guests on the call from multiple states made a similar observation: *that DPAC should not hold itself back. Keep pushing forward on the issues we are working on.*
 - **CONSENSUS OF BOARD was to keep lines of communication open.**
 - 1) Rob Barley motioned to contact NDPO to seek another board-to-board conference call as long as the agenda for such call is set ahead of time and both organizations agree to the agenda ahead of time.
 - 2) Duane Hertzler seconded the motion, and the motion passed 17-0.
 - **BOTTOM LINE:** Keep thinking national. Stay focused on the things DPAC set out to do. Keep moving forward. Keep dialog open with any other organization(s) out there.

Old Business

- **Fundraising & Financing:**

- Bernie Morrissey reported that fundraising efforts must continue to keep the DPAC community effort going.
- Not every farmer will contribute. We have to stoke the fire.
- We are getting more donations from many other states now; but over 75% of the total amount each month is still from Pennsylvania.
- Challenge to other states and regions to help fund the effort.
- Chairman Hawbaker stressed that DPAC was not created to “raise money” but to “share ideas.” Still, money is necessary to fulfill the mission and keep the action going.
 - 1) Bernie and Paige are working on this but they need help from dairy producer board members to suggest vendors to communicate with and add dairy producers to our email and mailing lists.
 - 2) Bernie asked permission to call each board member and get a list of vendors in that state to send information and communicate with.
- Chairman Hawbaker remarked that the finances have been nothing short of amazing that we (DPAC) are surviving. Funds have come in all year to keep us one step ahead of the bills. We have just hit a bit of a valley right now at the end of one year and beginning of the next.
- In addition to coordinating the printing and distribution of materials, Sherry will start working on a DVD, which can be played at meetings and/or Farm Show display booths in variety of states.

Ending thought:

- JB from Minnesota read the Milk Marketing Models Outline and at the end of the call went asked DPAC to propose a new policy statement that says the continued patches over patches are folly: ***Reject the broken pricing system and design one that reflects the global realities of the 21st Century.*** ... Replace the current program with simplicity.

NEXT MEETING

- The next meeting of the DPAC Board is **Thursday, Feb. 17, 2011 from 1:00 p.m. to 3:00 p.m.** at the Morrissey Insurance building, 890 N. Reading Rd., Ephrata, PA 17522 and also by teleconference: **# 1.888.394.8197 – Passcode 292858**

Respectfully Submitted by:

Sherry A. Bunting

DPAC Correspondence Secretary

February 10, 2011