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"We Dairy Farmers pledge to thoroughly and immediately review and study each of the issues that impact the price of milk paid to producers in order to determine and facilitate needed changes that may be required to reach our stated purpose of producer profitability, for now and in the future."

NATIONAL DAIRY PRODUCERS ORGANIZATION, INC.



# Producer's Voice

February 2020

[www.NationalDairyProducersOrganization.com](http://www.NationalDairyProducersOrganization.com)



JOIN THE DISCUSSION! TUESDAY 8 PM EAST – 5 PM WEST  
Live Calls: (712)775-7035 Recorded Calls: (712) 775-7039 PIN: 330090#

## YOU CAN STOP DAIRY FARM DESTRUCTION



*Young boy watches as his family dairy farm cows are taken off the farm. This long standing multi-generational farm is being sold off and a way of life taken away, not due to inefficiency or care, but because this dairy farm, like thousands of others cannot survive without obtaining a profitable price for their milk*

### What's it going to take to make a sustainable profit in the Dairy Business?

This dairy farmer organization (NDPO) is confronted with this question every day. Read on, this 700 Dairy Farm national organization (and growing every day) has concluded there is a path to sustainable producer pay prices. The answer is simple:

"Insist that your co-op operates solely in accordance with:

1. Your membership agreement

Membership agreements between Co-ops and producers generally provide that the co-op will pick-up and market the member/producer's milk and the co-op will "market" the milk on behalf of the member. "Marketing" involves, in addition to processing, selling, distribution, promotion and pricing, the responsibility for the marketing prices to "seek to earn a satisfactory return on owner's investment."

2. State Law

State Law's must be adhered to in order to operate as a co-op. The state statute where my Co-op is incorporated reads "Associations organized under this act shall be deemed non-profit as they are not organized to make a profit for themselves or for their individual members, BUT ONLY FOR THEIR MEMBERS AS PRODUCERS"

LIKE US ON FACEBOOK! "NATIONAL DAIRY PRODUCERS ORGANIZATION" TO FOLLOW  
IMMEDIATE PRESS RELEASES.

**OFFICE 949-375-4450 • FAX 949-650-4490**

Please get your vendors involved with our cause by asking for their support –their internet contributions can be made to "GoFundMe" at [www.gofundme.com/help-ndpo](http://www.gofundme.com/help-ndpo)

# NATIONAL DAIRY PRODUCERS ORGANIZATION, INC.



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3187 RED HILL AVE. #110. COSTA MESA, CA 92626

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### 3. Federal Law

Federal Law granting anti-trust exemption status to farmers provides:

- a. "To empower farmers"
- b. "To place farmers on an equal footing with large corporate buyers"
- c. "Co-ops are organized for the purpose of rendering economic services to improve their members bargaining positions"
- d. "To reduce 'fire sale' pricing"
- e. "To forecast supply/demand needs"
- f. "to provide a more stable sales outlet"

Therefore, if the dairy co-ops in this country who handle 80% of the milk produced and balance an untold supply of milk would operate the co-op more in accordance with 1) member marketing agreements, 2) State Law, and 3) Federal Law and guidance from numerous USDA publications, our co-ops would consider the well-being of all its membership first, and not its customers; not the corporate employees, not the co-op itself. The management of co-ops must focus on managing for the sole benefit of their members as producers, as state and federal laws require, and to "market" their members' milk as the member agreements require. The cooperative form of business was created to help farmers: empower bargaining position with large corporate buyers, forecast supply/demand balancing and reduce fire sale pricing.

#### Co-Ops should adopt the following policies:

I think we can all agree that if co-ops changed the priorities of management today, as mentioned above, we would soon thereafter see a return to sustainable milk price; that is how *MARKETING* works.

The corporate managers and the responsible board of directors have a fiduciary responsibility to who they represent. While discussing EVERY agenda item at board meetings, the question should be asked "how will this item affect our members pay price?" We are under the belief this questions never gets asked. So let's insist that our co-ops return to the type of entity that the federal and state laws require "for the benefit of its members as producers."

#### Let's Make Our Co-Ops Great Again

1. Accept no non-member milk and sell no member milk, unless the price paid or received is greater than the member dairy farmer's average cost to make the milk.
2. Implement a pro-rata across-the-board reduction in the acceptance of member milk for processing until the milk supply is balanced pwith profitable domestic market demand, which provides a price greater than the member dairy farmer's average cost to make the milk.
3. Do not own, operate or be involved with any processing facility, make any dairy product or chase any dairy market that will not pay a price greater than the member dairy farmer's average cost to make the milk.
4. Use the National Dairy Producer's Organizations ([www.nationaldairyproducersorganization.com](http://www.nationaldairyproducersorganization.com)) 100 percent USA milk ([www.100percentusa.org](http://www.100percentusa.org)) trademark on all co-op made products to promote U.S.-made dairy farmer milk products, over imported milk products.
5. Return to milk components in bottle milk from 8.2/3.2 to 8.7/3.5.
6. Not us ANY imported milk products to displace member milk.
7. Do not produce any competing milk products that displaces member milk.
8. All co-op board meeting agenda items should discuss that item's affect on the member farm gate milk price.
9. Better utilize our 15¢ promotion deduction or terminate it.
10. Increase Class I (bottled) milk sales, stop 30 year sales decline.
11. Send producer's message to Washington. We pay for NMPF in D.C. but they seemingly represent everyone in the dairy industry except the farmer (i.e. New Farm Bill and 2014 Farm Bill- No Help).
12. Cull cows NOT dairy farmers.



# NATIONAL DAIRY PRODUCERS ORGANIZATION, INC.

## Membership/Assessment Application for The National Dairy Producers Organization, Inc.

Name	Patron/Producer Number		
Address	If organic, check here		
City	State	Zip	# of Acres
Phone	Email Address		# of Cows
Processor Name/Dairy Plant/Marketer Name		Phone	
Address			
City	State	Zip	

Under National Dairy Producers Organization, Inc. bylaws, your contribution is considered your membership dues. The dues cannot be raised without your consent. This agreement gives the National Dairy Producers Organization, Inc. permission to use your money to accomplish the specific work of the organization, under direction of the board of directors on behalf of its members so as to help all dairy producers achieve and maintain a profitable price for all milk regardless of its use, or the city, state or region of the country in which milk is produced.

Complete, sign, then mail or fax to:

**National Dairy Producers Organization**  
**C/O Gary Genske, Treasurer**  
**3187 Red Hill Ave., Ste. 110**  
**Costa Mesa, CA 92626**  
**Phone: 949-650-9580 Fax: 949-650-4490**

Please initial one of the following:

- 1) \_\_\_\_\_ I hereby authorize \$.01 (one cent) per hundredweight (CWT) plus \$20 per month assessments to be withheld from my monthly milk settlement payment and remitted to the National Dairy Producers Organization, Inc. at the above address, or
- 2) \_\_\_\_\_ I pledge \$\_\_\_\_\_ per month to be paid by check and remitted to the National Dairy Producers Organization at the above address, or
- 3) \_\_\_\_\_ I am a former dairy farmer and want to be a member of the National Dairy Producers Organization, Inc. and hereby pledge payment of \$80 for the annual membership dues to be remitted to the above address.
- 4) \_\_\_\_\_ We are a vendor to the dairy industry and wish to become an associate member and pledge payment of \$250 for annual membership dues to be remitted to the above address.

As of this date, this assessment request shall become effective and shall supersede prior National Dairy Producer Organization, Inc. assessments, if any.

Sign: \_\_\_\_\_ Effective Date: \_\_\_\_\_  
 The National Dairy Producers Organization, Inc. is a 501(C)(5), a not for profit organization.

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## Two Businesses to Run

U.S. dairy farmers have at least two businesses to run and BOTH must be run well if, the remaining dairy farmers are going to survive. Overall, the remaining dairy farmers have done an excellent job of running their dairy farm business, BUT HAVE DONE A QUESTIONABLE JOB OF RUNNING THEIR CO-OP BUSINESS.

The existing co-op management of most dairy farmer member owned co-ops have encouraged and accommodated maximum, excess, unprofitable milk production rather than disciplined, profitable milk production that is balanced with profitable demand.

## Starbucks Cutting Dairy?

Starbucks' CEO Kevin Johnson recently reported in a Bloomberg News interview that overall, dairy accounted for 21% of Starbucks' global carbon footprint.

Now Starbucks' wants to become "resource positive" and replace cow milk with almond, coconut, oat and soy fluids saying these fluids are "environmentally friendlier" than real cow milk.

I wonder if Starbucks will issue a health warning to their customers that these plant-based fluids may contain high levels of cancer causing herbicide—glyphosate, the main ingredient in Monsanto's Roundup herbicide?

Many farmers apply glyphosate on their crops RIGHT BEFORE HARVEST, known as desiccating, to dry down the plant to speed up harvest. (sustainablepulse.com, 2-16-18: ecowatch.com/kenroseboro, 3-5-16)

Also, Starbucks' non-dairy move might be based more on money than the environment. Since people are reportedly willing to pay nearly twice as much for plant-based fluid over real milk, perhaps Starbucks' moves is simply to increase their prices regardless of the questionable environmental issues or possible health risks.

## Quotable Quotes

- The National Farmers Union President Roger Johnson stated at the 2019 NFU convention that "We cannot trade (export) our way out of this problem, which is why we need policies that address oversupply."
- Michael Stumo, head of the Coalition for a Prosperous America stated that we need policies based on LESS agricultural production stating "We're in a world of glut. We need a policy that's based on glut, not on scarcity."
- U.S. dairy farmers are in full control of milk prices because they are in full control of the milk supply.
- "I believe in less dependence on begging and more power in bargaining." – Future Farmers of America Creed
- Beth Ford, CEO of Land O' Lakes recently spoke at the Federal Reserve Bank of Minneapolis' 2020 Regional Economic Conditions Conference, and stated "What we have is supply/demand imbalances. Where we've seen this most directly is in the dairy industry." TRUE – as Ford acknowledged as an example – Wisconsin lost 10% of its dairy farmers in 2019 due to unprofitable milk prices cause by an oversupply of milk exceeding profitable demand. While Ford acknowledged the dairy farmer problem, she failed to acknowledge the problem's cause and its solution. THE CAUSE – CO-OP MISMANAGEMENT. THE SOLUTION – CO-OP MATCHING SUPPLY WITH PROFITABLE DEMAND.
- Jim Dickrell, January 27, 2020, Farm Journal's MILK reports that even the University of Wisconsin dairy economists Bob Cropp and Mark Stephenson agree that the milk supply determines the milk price, saying this year's spring flush will likely determine what happens with 2020 milk prices – "if you get below 615 million pounds of milk per day, markets (milk price) could go up fast" says Stephenson.
- "I may not always listen to the message the market is sending, but it always tells the truth. The market has never once lied to me." Dick Okray, Chairman of United Potato Growers of American (UPGA)
- "In fact, markets more accurately describe the health of the supply/demand balance upon which most businesses depend than any database or individual analyst ever could." Buzz Shahan, COO, UPGA