

NDPO Board Members

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Retired --- Massachusetts



"We 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

January/February 2017

www.NationalDairyProducersOrganization.com

CO-OP MANAGEMENT SAYS

- 1) That a concerted effort to limit production and balance milk supply with profitable demand will not happen
- 2) That they must do our marketing for the dairy farmer, because it has gotten so complicated and difficult
- 3) That if the dairy farmer wants a better price, get it through hedging or exports, even if it pays less than the cost to make the milk
- 4) That dairy farmers MUST ACCEPT this over supplied milk market where the table is always tilted away from them and where there is always going to be someone in the world who can make milk cheaper.
- 5) That dairy farmers in America must continue to invest hundreds of millions of dollars in plants to become a world milk supplier

NDPO rejects what co-op management has said and says instead that dairy farmers CAN achieve sustainable profitability IF THEY SO CHOOSE, and here is how it can be done:

- 1) Producers must insist that all co-op board members pledge:
- 2) Require that ALL board meeting agenda's first topic should always be acquiring and maintaining producer/member sustainable farm gate prices.
- 3) Implement a pro-rata across-the-board reduction in acceptance of milk from all sources for processing and marketing until the milk supply is balanced with profitable demand that will provide co-op members with a sustainable farm gate milk price
- 4) Do not own, construct or operate any milk processing facility, process any dairy product, or chase any dairy market that will not return a sustainable farm gate price to the co-op members
- 5) Use the National Dairy Producers Organizations' "100% USA Milk" trademark on all co-op made products to promote U.S. dairy farmer milk.

Dairy Farmer—it is your milk, your co-op and your board of directors, insist on changing "Co-op management says" to "The Board of Directors" says, and go back to managing our co-ops in the way intended, for "producer profitability for sustainability".

Your co-op only works as well as the board members you elect and the management they hire. Whether your co-op promotes your profitability is entirely up to you, the dairy farmer co-op owner member. You can manage your co-op or let your co-op manage you!

Tuesday National Calls:
8 PM East – 5 PM West
Live Calls:
(712)775-7035
Recorded Calls:
(712)775-7039
Pin: 330090#

OFFICE 949-375-4450 • FAX 949-650-9585

LOWER PRICES, WE ADD COWS - HIGHER PRICES, WE ADD COWS

Mike North, President, Commodity Risk Management Group, in his article in the October 19 2016 issue of Progressive Dairyman highlights the US dairy farmers irrational conduct when he states “The U.S. herd has grown to 9.36 million head --- the largest since 1996. The message to the market was clear. When prices go lower, we add cows. When prices go higher, we add cows. Between increasing herds and increasing productivity per cow, milk production will now likely eclipse the 2 percent year-over-year growth.”

In this oversupplied milk market with the resulting price of milk being less than its cost to make, basic market economics dictates that dairy farmers must either cull some cows and balance the milk supply with PROFITABLE demand OR continue to cull U.S. dairy farmers.

THE MILK SUPPLY DETERMINES THE MILK PRICE.

IT IS A DAIRY FARMER CHOICE --- either share in the culling of some cows OR continue culling dairy farmers, right down to a handful of mega- corporate milk making enterprises.

BE THE SOLUTION NOT THE PROBLEM --- join and implement the policies of the NATIONAL DAIRY PRODUCERS ORGANIZATION (NDPO). Your membership application is on page 3.

HOW NDPO PROMOTES MARKET RECOVERY

Mark Gould, analyst for Dairy and Food Market Analyst, INC., reports in the October 21, 2016 issue of the Lancaster Farming that there are three ways the milk market recovers --- “supply decreases, demand increases, or government intervention.”

NDPO Promotes:

1. Dairy farmer sharing in milk supply decreases sufficient to balance the milk supply with PROFITABLE demand.
2. Profitable milk demand increases through the use of NDPO's 100% USA MILK TRADEMARKED LOGO (www.100percentUSA.org)
3. Global demand ONLY IF the global demand for dairy products is profitable for the U.S dairy farm, i.e.; when the products needed pay a milk price greater than the US dairy farmers cost to make the milk.
4. Basic market economics and does not encourage government intervention as its programs rarely benefit the dairy farmer, ONLY the dairy processor and retailers.
5. Since dairy farmers make the milk and they can create a profitable producer price for it by managing the milk supply to be balanced with profitable demand. If one voice can change a room then the voice of dairy farmers can change their co-op management goals and/or personnel.

THE REMAINING DAIRY FARMS CAN SURVIVE IF THEY CAN ONLY HANDLE THE TRUTH

MILK COMES FROM YOUR COWS!

There is too much milk, NOT because we have too many dairy farmers, BUT, because the remaining dairy farmers have too many cows. It is a choice – cull cows or cull dairy farmers.



Petition Letter To Market Administrator

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

OFFICE: 92626 949-375-4450 • FAX 949-650-9585

Erik Rasmussen, Market Administrator
Federal Milk Marketing Order I
89 South Street
Boston, MA 02205



Petition to milk market administrator

*If you approve, see reverse and **SIGN!***

Dear Market Administrator,

The National Dairy Producers Organization (NDPO) for and on behalf of its dairy farmer members who ship milk to handlers regulated under the Northeast Order, *OPPOSE* the requested action by DFA as requested by letter dated January 12, 2017.

DFA markets 30% of U.S. milk production in 9 of the 10 FMMOs in the U.S. and its existing management is uniquely qualified to be recognized as the primary cause for the loss of one-half of the number of dairy farmers that existed in 1998 when DFA was organized.

DFA comingles milk from different cooperatives and independent farms with its own member's milk to achieve the *MINIMUM* price paid to U.S. dairy farmers for their milk. While this conduct has worked to the financial benefit of the management of DFA, it has helped to financially destroy thousands of dairy farm families and the national milk producing infrastructure of the U.S.

In the past, DFA has petitioned the FMMO system to change pooling regulations, these proposed changes were designed by the DFA management to gain more control over the marketing of milk, and payment of raw milk to dairy farmers resulting in the lowest possible prices paid to dairy farmers. DFA's current and past history is adulterated with numerous anti-trust violations, accusations, and litigations resulting in many lawsuits.

The requested action is an attempt by DFA management to shift the blame for the anticipated loss of over a thousand small dairy farms to USDA agriculture marketing service and you should not allow the market administrator to be so manipulated. This destruction of dairy farm families will continue if DFA's request is approved.

While DFA may be a qualified Capper Volstead cooperative on paper, its management conduct does not reflect the cooperative goals and objectives of marketing dairy farmer members' milk to its highest value and returning profits back to its members.

DFA management has consistently pursued monopolistic actions of purchasing and closing competitive milk processing facilities all to the detriment of the U.S. dairy farmer and dairy consumer. DFA management along with New Zealand's Fonterra created Dairy Concepts for the sole purpose of replacing U.S. made milk ingredients with cheap foreign ingredients all to the detriment of the U.S dairy farmer and dairy consumer.

The reason for DFA's request is "unprecedented milk supply and demand imbalances" resulting from milk production at record levels in all 9 of its FMMO marketing areas, including FMMO I presently under consideration. DFA's request would allow it to pay for milk delivered at a price "that reflects the value of the milk", which because of the "unprecedented milk supply and demand imbalances" would be far less than the dairy farmers cost to make the milk. This continued financial destruction of dairy farm families should NOT be the solution to solving a milk supply in excess of profitable demand.

USDA, Agricultural Marketing Service, Dairy Programs should assist and require the management of DFA to help balance the U.S. milk supply with profitable demand by reducing its acceptance of milk from all sources in all 9 of the FMMOs it does business in by sufficient amount so that all dairy farmers who provide its sources of milk will share in the task of balancing the milk supply with profitable demand.

This action would allow the dairy farmers who make the milk to receive a price greater than its cost and would help preserve as many of our remaining dairy farmers as possible, our existing national milk producing infrastructure and our ability to feed our citizens.

The members of NDPO do not believe that a handful of surviving corporate milk makers and the loss of most of the remaining 40,000 dairy farmers and our national milk producing infrastructure is sustainable agriculture. This country and its citizens will be better off if we preserve as much of our national milk producing infrastructure and as many of our remaining dairy farmers that we can, rather than continue to shrink this country's milk producing abilities down to a handful of large milk makers located in a handful of locations.

Maintaining our existing national milk making abilities spread throughout most of the country is a better way to preserve our food security than continuing to reduce our milk making abilities down to a very small group of producers in a very few locations. Nationwide diversification promotes competition which in turn improves product quality, access to local milk products and preservation of infrastructure supporting jobs and the local economy. A diversified national food producing industry is far superior and more reliable than a concentrated monopolistic food producing industry.

You should *DENY* DFA's requested action.

Consent of NDPO's Opposition

I/We, the undersigned are in agreement with NDPO's opposition to the requested action by DFA for the reasons stated in this letter.

Signed _____ Date _____ Dairy Name _____

Mail to Mike Eby at 459 Quenn Road, Gordonville, PA 17529

Additional Comments:

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 payment of \$.01 (one cent) per hundredweight (CWT) plus \$20 per month to be paid by our dairy check and remitted to the National Dairy Producers Organization, Inc. at the above address, EXAMPLE: monthly production of 100,000lbs = 1,000 cwt x \$.01 = \$10 assessment plus \$20 membership fee = \$30 monthly, 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.

YOUR GOVERNMENT AT WORK

USDA's Office of Chief Economist reports free trade agreements have contributed to the growth in U.S dairy exports. What it did not report is that this growth in exports was unprofitable for the U.S. Dairy farmer. The "increased U.S. competitiveness" claimed by the former USDA secretary Tom Vilsack was based primarily upon dairy farmer unprofitability. With the perceived need to be the world's cheapest milk, only the U.S. dairy farmer suffers. The U.S dairy farmer should only be interested in PROFITABLE demand not UNPROFITABLE demand.

In Matt Gould's article "Is our milk pricing system broken?" the August 25th, 2016 issue of Progressive Dairyman, he discusses several POLITICALLY CREATED "milk pricing systems" for milk. None of the POLITICALLY CREATED regulated systems discussed ever had a chance to provide sustainable profitability for the dairy farmer since politicians follow the money and the money is with the processors (both co-op and non-co-op) and retailers --- NOT the dairy farmer.

Dairy farmers DO NOT NEED and have always LOST in the political arena, BUT CAN WIN in the economic arena. While the politically created milk pricing systems will always benefit the processors and retailers, complying with the economic law of supply and demand is the ONLY "milk pricing system" that will ever provide the dairy farmer with sustainable profitability. Join your fellow dairy farmers at NDPO and build a economic path to sustainable profitability by sharing in the culling of some cows and balancing the milk supply with profitable domestic demand.

Your silence and inaction will ensure the continued culling of dairy farmers right down to your dairy farm. You manage your co-op, or your co-op will manage you. To learn more, join us on our weekly Tuesday evening calls at 8pm eastern or 5 pm western time by calling in at 712-775-7035, enter pin 330090#.

Restraint:

TODAY

OPEC has agreed to restrain output. Price of oil soars based solely on the agreement

TOMORROW?

U.S. dairy farmers agree to restrain output. Price of milk soars based solely on agreement



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3187 Red Hill Ave. #110
Costa Mesa, CA 92626