

NDPO Board Members

Mike Eby

Chairman of the Board
Retired - Pennsylvania
(717)799-0057
Mikee@ndpo.us

Paul Rozwadowski

Vice Chairman
Dairy Producer - Wisconsin
(715)644-5079
Paulr@ndpo.us

Gary Genske

Treasurer
Dairy Producer - New Mexico
(949)650-9580
Garyg@ndpo.us

Pete DeHaan

Dairy Producer - Oregon
(503)437-6628
Peted@ndpo.us

Bob Krucker

Dairy Producer -- Idaho
(208)280-1830
Bobk@ndpo.us

John J. King

Retired - Pennsylvania
(717)284-5756

Greg Millick

Secretary
Dairy Producer - New York
(315)525-4127
Gregorym@ndpo.us

Aaron DeBoer

Dairy Producer - Washington
(360)333-0390
Aarond@ndpo.us

Dan Meier

Dairy producer - New York
(518)353-1474
Danm@ndpo.us



"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

November/December 2018
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#

Exports did not provide profitable milk price to producers

Jim Mulhern, president and CEO of NMPF, acknowledges in *Farmshine*, October 19, 2018 issue that existing co-op management has "invested significant resources", ie; dairy farmer money, in forming U.S. Dairy Export Council (USDEC) and Cooperatives Working Together (CWT) to get rid of up to 18% of U.S. milk production. What Mulhern does not acknowledge is that the exports did not provide a profitable milk price for most U.S. dairy farmers. All others in the milk distribution chain, including co-op management and the management of NMPF, USDEC, CWT, etc., did profit from the exports, but not the dairy farmer milk producers. While exports may play a "critical role" in getting rid of excess milk production, they have not provided most dairy farmers with a milk price greater than the cost to make the milk. From these already unprofitable export milk prices, Mulhern alleges the farm-level milk prices are being further knocked down by more than \$1/cwt due to recent tariff conflicts. Mulhern, in essence, says the best solution to getting rid of excess milk is more exports to benefit co-op management and the management of NMPF, USDEC, CWT, etc., which will continue a milk price less than most dairy farmer's cost to make the milk. Mulhern says that NMPF will increase its efforts to pursue the "Dairy-farmer funded CWT export assistance program" to help "co-operatives compete for and win sales contracts against foreign competitors." Please note that CWT "wins" sales contracts by being the lowest bidder with the lowest milk price – all subsidized with dairy farmer money. Mulhern clearly acknowledges that the volume of the milk supply is what drives the milk price when he says "just imagine how bad milk prices would be" if we didn't continue to get rid of his claimed 34+ billion pounds of excess milk currently sloshing around the U.S. market.

The National Dairy Producers Organization has a better idea. Instead of dairy farmers continuing to enrich those profiting from dairy farmer milk – how about dairy farmers themselves profiting from the milk they make by balancing the milk supply with profitable milk demand. As Bloomberg, Deena Shanker and Lydia Mulvany recently wrote on 10-17-18 that "America is drowning in milk nobody wants" and that "limiting supply is the ultimate solution to the glut." How? Implementing NDPO's 4 co-op management policies will promote disciplined, profitable milk production balanced with profitable demand generating a profitable milk price for as many existing dairy farmers as possible. The reason for all the milk is the existing co-op management self-serving policies which encourage and accommodate maximum, excess milk production yielding the lowest milk price possible, which in turn, generate maximum profit for co-op management, their joint venture processing partners and the management of NMPF, USDEC, and CWT. Existing co-op management has created a milk marketplace that uses basic market economic supply/demand principles to work against the dairy farmer instead of for the dairy farmer. Dairy farmers need to turn the tables – instead of co-ops and milk buyers making dairy farmers compete with each other as to who can make the cheapest milk and be the last dairy farmer standing, dairy farmers need to make milk that is balanced with profitable demand so that milk buyers compete with each other as to who gets the milk.

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

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

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

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 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 pledge \$_____ per month to be paid by check and remitted to the National Dairy Producers Organization at the above address, or
- 4) _____ 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.
- 5) _____ 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.

NATIONAL DAIRY PRODUCERS ORGANIZATION, INC. CO-OP MANAGEMENT IS THE PROBLEM



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

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

DFA vice president of Northeast operations, Bill Cummings, recently stated that DFA's sole purpose is to ensure stable markets by paying a competitive milk price to its members. Are DFA dairy farmer owners happy with this stated purpose of their cooperative? The so-called "stable markets" are UNPROFITABLE markets for most DFA members due to DFA management's encouragement and accommodation of maximum, excess milk production so that DFA management and its many processing joint venture partners can receive an unlimited milk supply while paying a "competitive milk price" to its members, which price is significantly less than most DFA dairy farmer member's cost to make the milk. Why should DFA co-op members suffer with UNPROFITABLE markets for most DFA members due to DFA management's encouragement and accommodation of maximum, excess milk production so that DFA management and its many processing joint venture partners can receive an unlimited milk supply while paying a "competitive milk price" to its members, which price is significantly less than most DFA dairy farmer member's cost to make the milk.

Why should DFA co-op members suffer with unprofitable milk prices caused by making a milk supply greater than profitable demand while DFA management benefits from the milk supply exceeding profitable demand? How much sense does it make for a dairy farmer co-op member, whose business model is based upon milk price, to have his co-op management benefit on the opposing business model of maximum volume of milk handled? DFA dairy farmer members should not accept the existing milk marketplace created by their co-op management that uses basic market economic supply/demand principles to work against the dairy farmer member instead of for the dairy farmer member. The purpose and goal of DFA and every dairy farmer member owned co-op should be to benefit and preserve as many dairy farmer members as possible by helping its members balance the milk supply with profitable demand, thereby allowing basic market economics to work for the dairy farmer member instead of against the dairy farmer member.

Existing DFA co-op management continues to fail dairy farmer members because it has failed to achieve the co-op's legal purpose of paying to its members a milk price greater than the member dairy farmer's average cost to make the milk, and should adopt "balancing the milk supply with PROFITABLE demand" by implementing the co-op management policies of NDPO:

1. Implement a pro-rata, across-the-board reduction in the acceptance of co-op member milk for processing until the milk supply is balanced with profitable domestic market demand, which provides a price greater than the member dairy farmer's average cost to make the milk.
2. Accept no non-member dairy 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
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 NDPO's 100% USA Milk Trademark on all co-op made products to promote U.S. made dairy farmer milk. Please visit this website: www.100percentUSA.org
5. All agenda items at co-op board meetings should address each item's impact on the members' pay price, negative impact agenda items must be disapproved.

Gerald Carlin, et al. v. DairyAmerica, Inc., and California Dairies, Inc.

A \$40 million settlement has been reached in a class action lawsuit on behalf of dairy farmers against DairyAmerica, Inc. and California Dairies, Inc. (the "Defendants"). The lawsuit claims that the Defendants unlawfully conspired to misreport sales data to the United States Department of Agriculture ("USDA") for the purpose of lowering raw milk prices paid to dairy farmers. Defendants deny any wrong doing. Visit the website <http://milkpowdercase.com/Home/portalid/0> for more

You may exclude yourself from the settlement. To discuss opting out of this settlement, contact:

Mike Eby, NDPO Board Chairman, (717)799-0057, mikee@ndpo.us

A New Vision is Required

Dairy farmers will see annual losses in excess of \$1 billion due to retaliatory tariffs – so says Randy Mooney, Chairman NMPF and DFA. Now even unprofitable exports are gone. U.S. dairy farmers need organizational structure to get themselves WORKING TOGETHER on the same agenda instead of acting randomly trying to out-produce each other. U.S. dairy farmer co-op member owners have the co-op organizational structure and NDPO has the agenda and co-op management policies which will allow dairy farmers to work together and benefit most dairy farmers in the form of a sustainable, profitable milk price. When there is no limit to the milk supply for sale, there is no limit as to how low it's price can go. Instead of milk buyers making dairy farmers compete with each other as to who can make the cheapest milk – let's make milk buyers compete with each other for who gets the milk by balancing the milk with profitable demand. Dairy farmer eyes have been too full of the small details of their world of making milk – a world that has accomplished nothing but their own destruction. Dairy farmers have allowed themselves and their milk to be used by co-op management who have benefited at their expense. Dairy farmers must expand their vision and see the reality that THEIR existing co-op management has created – a milk marketplace that uses basic market economic supply/demand principles to work AGAINST the dairy farmer instead of FOR the dairy farmer. Co-op management's continued vision is maximum, excess milk production yielding the lowest milk prices possible, which in turn, generate maximum profit for co-op management and their joint venture processing partners. NDPO's vision is disciplined, profitable milk production balanced with profitable milk demand generating a profitable milk price for as many existing dairy farmers as possible. Merry Christmas and we wish you a more prosperous and happy new year!



National Dairy Producers Organization
3187 Red Hill Ave. #110
Costa Mesa, CA 92626