



2007: Tough Decisions, Record Milk Prices

Find it hard to believe that it's December already, but the short days and cool temperatures are convincing me that it is true. This has been a good year for the dairy industry. MMPA members have enjoyed record prices for milk and very good (if not record) prices for other commodities. Crop yields may have been good, average or poor depending on where you are located, but that's pretty much the norm for Michigan.

Now is the time when the harvest is complete, marking the end of another year. However, a successful harvest is like a football team making it to a bowl game. Although you can (and should) enjoy the success, there is always another year looming. You have to prepare for the upcoming year while you enjoy the fruits of your labor. So now we move from the harvest season to the meeting season as we plan for 2008.

While 2007 was a memorable year, some of the memories may not be pleasant for everybody. The difficult decision made by the MMPA board to place restrictions on the use of rBST on MMPA member farms has not been a pleasant experience. The decision-making

process by the board wasn't limited to this one product, because we are concerned about the broader application of this type of marketing strategy. Being forced to make the decision to disallow the use of a product that is accepted as safe for humans and animals and has been used successfully by many dairy farmers was difficult to say the least, when the main reason for restricting rBST use boils down to a marketing ploy. It makes you wonder, "What's the next management tool the marketers will want us to restrict so they can add a perceived value to the product?"

We, as a board, spent countless hours trying to find a way to continue to give our members the freedom to use this safe product on their farms, but we kept coming up with the same problems. We could have said, "No, we won't accept your restrictions," but our customers would have obtained product somewhere else. This would have left us with a lot of milk to market, with a resulting prohibitive cost to get it to the market, essentially hurting everyone's bottom lines. It also would have violated MMPA's long-held goal and mission, "To market our members' milk to the greatest advantage possible." When you read this summary, restricting the use of rBST sounds like a simplistic answer to a complex problem.

When viewed in the context of our available options, in the final analysis, it was a simple decision because we had no other acceptable choice. We may have lost this battle, but we all need to continue the quest that allows us to use safe technology on our farms so we can

feed the world population while still remaining profitable.

As we move on to 2008, I am confident that our innovative MMPA members will overcome this "bump in the road" as we have overcome other obstacles. The dairy industry will continue to grow. The volume of milk handled by our co-op will continue to increase.

According to a recent survey conducted by MMPA, several of our members plan to add to their herds within the next few years. How will we (MMPA) handle the increasing volume of milk produced by our members? We will have the opportunity to discuss this, and many other issues, during MMPA's Local meetings this winter.

Local meetings provide the perfect opportunity for all members to visit with MMPA directors, staff and neighbors. I know not everybody can attend their local meeting, but the local meeting is a great way for MMPA members to share their ideas and opinions with each other and with MMPA co-op leaders and management staff.

As we pause later this month to celebrate the birth of Christ, we should take the opportunity to remember to be thankful for what we have, appreciate where we live, and take extra time to enjoy our families and friends. I'm looking forward to visiting with many of you this winter, talking about past, present and future issues affecting our members and our co-op. Here's wishing you a Merry Christmas and a prosperous, Happy New Year.

A handwritten signature in black ink that reads "Ken". The signature is written in a cursive, slightly slanted style.

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