



## Ovid Expansion Underway

Monday, June 30, 2008 began in Ovid with a light drizzle that drifted away with the rising sun. By late morning, most of the clouds had been replaced by blue skies and bright sunshine. The weather for the “Official” groundbreaking ceremony for our Ovid processing facility expansion was symbolic, considering that we had to endure many “cloudy days” before we were able to move forward on the project.

The first step occurred about three years ago when we attempted to acquire a 100 foot swath of vacated railroad property that bisected MMPA’s Ovid property. The expanse was too wide to bridge. You would think, “What’s the big deal? They’re out of business, the rails are gone, even the stones that constitute the rails’ foundation are gone, so they should be happy to entertain an offer to purchase this segment.” The railroad owners, however, wanted to sell the entire 41-mile stretch that had been closed down. MMPA didn’t need or want 41 miles of railroad property. So it got complicated, but we reached a resolution and moved forward.

Many people, organizations and agencies cooperated to overcome this and other obstacles. The Village of Ovid was very receptive to our expansion plans, and we are grateful for the cooperative spirit of the Village Council and Council President Bill Lasher. Among other issues, they allowed “Rails to Trails,” a project to develop old railroad property into walking and biking



*Governor Granholm meets with Ovid Plant Manager Dave Wittkop and plant supervisors during the groundbreaking event.*

paths across the state, to circumvent our property to allow for better security and less chance of injury to trail users. The Clinton County Board of Commissioners, led by Chairman Larry Martin, helped to move the project forward. The Michigan Department of Agriculture was instrumental in helping us navigate the path to approval by dealing with various departments and agencies. Thanks also to Representative Dick Ball, who was very helpful in facilitating meetings when the process bogged down.

I don’t have space to thank everybody whose cooperation helped move this effort along, but they are many and they are appreciated. This expansion means even more to Michigan’s economy than the significant direct investment of \$35 million made by MMPA members. A study conducted by the MSU Product Center for Agriculture and Natural Resources indicates that the expansion will contribute over \$183 million to Michigan’s economy.

This significant investment is none too soon in coming. MMPA members, like the rest of Michigan’s dairy farmers, have been adding cows and producing more milk at a faster rate than was expected—about double the historical rate of increase. Fortunately, there’s a market for that milk—consumption has risen in the United States and exports of dairy products have more than doubled since 2000. In fact, we exported 10.7 percent of the milk produced in the U.S. during the first quarter of 2008. Additional demand raises milk prices and causes farmers to produce more milk, but the increase in milk volume carries with it one “little” problem: we are at processing capacity in Michigan. That means we have to ship milk out of state more often than we would like with today’s transportation costs.

Running at full plant capacity (as we are now doing) also means back-ups for haulers at Ovid when there is even the smallest disruption, whether from storm-related electrical outages, unexpected increases in milk diverted to Ovid, or holidays when fluid processors and some of our other customers shut down. If production continues to increase at the recent rate, moving that extra milk could become very complicated.

**Continued on Page 9**

## MMPA Matters

*Continued from page 5*

Unfortunately, there is no quick fix to this problem. The Ovid project is scheduled to last 18 to 20 months, which means December 2009 is the soonest we could expect completion. We've had tremendous cooperation to move this far, and it is going to take even more cooperation and patience from producers, haulers and MMPA employees alike before the project is completed.

June 30, 2008 was a monumental day in MMPA's history. When Governor Granholm addressed our members at the annual meeting in March, she voiced her support for the dairy industry and pledged her support for infrastructure improvements. We sincerely appreciate her actions and her decision to illustrate her commitment by taking part in the groundbreaking ceremony. Our industry will, in turn, increase its contribution to the state's economy, an important part of any industry's success. The end result is that our milk will continue to be marketed to the greatest advantage possible, the heart of our mission statement.

*Ken*



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