



## Quality Watch

By Gary Trimmer

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### MMPA Board Approves Changes to Quality and Volume Premium Programs

At their July meeting, the MMPA Board of Directors approved changes to both the MMPA quality and volume programs that will begin on September 1, 2008 (changes will be reflected in your October 17 milk check). The board voted to reduce the volume premiums and utilize a portion of those premiums to enhance the MMPA somatic cell count (SCC) premium program.

The board decided to eliminate any volume premium for farms shipping less than 250,000 pounds per month and reduced the remaining volume premiums by nearly one-half. Changes to the volume program were reviewed in the July 21 General Manager's Letter.

**With all of the milk quality programs available to MMPA members, there is no reason for a producer to continually ship low quality milk.**

#### Earn More for Low SCC Milk

MMPA's premiums for low SCC milk will increase by \$.05 per hundredweight for any milk that is shipped with a monthly SCC average below 275,000. There are no changes to the raw or pre-incubated premium levels.

At the other end of the spectrum, the board chose to increase the amount deducted from producers who ship lower quality high SCC milk. With all of the milk quality programs available to MMPA members, there is no reason for a producer to continually ship low quality milk.

#### The SCC deduction levels were increased as follows:

- 501,000 – 600,000 increased by \$.05/cwt. to \$.10/cwt.
- 601,000 – 750,000 increased by \$.25/cwt to \$.50/cwt.
- Counts over 750,000 increased by \$.50/cwt. to \$1.50/cwt.

There are no changes to the SCC category levels. The new SCC premium schedule effective September 1, 2008 is listed on page 24. You can compare the new schedule to the current schedule listed on page 29.

By enhancing MMPA's quality program, we aim to send a very clear message to our members and customers that MMPA is committed to marketing the best quality milk

possible. A reduction in volume premiums allows for an increase in quality premiums, allowing MMPA to place even more emphasis on improving quality.

Reducing SCC levels is a cost-effective means in which producers can significantly increase their bottom line. For example, reducing your herds SCC from 300,000 to 200,000 average per month would equate to approximately .36/cwt. increase in milk value based on average component levels (this figure reflects the MMPA SCC program premium and the Federal Order SCC adjuster based on June price).

This number only takes into account the increase in milk price shipping lower SCC milk earns. Substantial cost savings related to a reduced herd SCC are also derived from reduced cull rates, increasing average herd age, increased milk production and less medical costs. These facts have been researched and documented by the NMC (National Mastitis Council) for many years.

MMPA is committed to helping members reduce their herd's SCC to produce a high quality product. We have invested significant resources to train our member representatives to identify and resolve issues that cause high SCC, from management practices to testing to milking procedures.

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# Farm Service Agency Designates 60 Michigan Counties as Agriculture Disaster Areas

## *Decision Allows Farmers to Receive Emergency Farm Loans*

In a continuing effort to assist the agricultural industry in Michigan, the Farm Service Agency (FSA) recently announced the designation of 60 counties in Michigan as agricultural disaster areas, making farmers in those regions immediately eligible for USDA/FSA physical loss emergency loans.

60 Michigan counties have been designated as a natural disaster area due to storms with tornadoes, hail, and high winds that occurred from June 6 through June 15, 2008.

Nancy Dietz, Michigan's State Executive Director indicates that "this assistance will go a long way in aiding farmers devastated by this weather event. We will continue to implement every available USDA

program to assist farmers through this difficult condition."

USDA designated 60 counties as disaster areas. The counties are: Alcona, Allegan, Antrim, Arenac, Barry, Bay, Benzie, Berrien, Branch, Calhoun, Cass, Clare, Clinton, Crawford, Eaton, Genesee, Gladwin, Grand Traverse, Gratiot, Hillsdale, Huron, Ingham, Ionia, Iosco, Isabella, Jackson, Kalamazoo, Kalkaska, Kent, Lake, Lapeer, Leelanau, Lenawee, Livingston, Macomb, Manistee, Mason, Mecosta, Midland, Missaukee, Monroe, Montcalm, Muskegon, Newaygo, Oakland, Oceana, Ogemaw, Osceola, Oscoda, Ottawa, Roscommon, Saginaw, Sanilac, Shiawassee, St. Joseph, Tuscola, Van Buren, Wayne Washtenaw and Wexford.

This designation makes qualified farm operators in primary and contiguous disaster counties eligible for low-interest physical loss EM loans from the Farm Service Agency, provided eligibility requirements are met. Farmers in eligible counties have until February 25, 2009, to apply for the loans to help cover part of their losses. FSA will consider each loan application on its own merit, taking into account the extent of loss, ability to obtain other credit, security available and repayment ability.

Dietz stated the FSA will do its part to mobilize resources to help those farmers most affected by this June's weather conditions.

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MMPA gives members the tools to reduce their herd's SCC levels through services like Milker training schools, the herd culturing program, the Milking Systems Performance Assurance Program and participating in National Mastitis Council. By utilizing these services, it is possible for members to reduce their herd's SCC levels for little additional cost.

With all of the milk quality services available to members, I believe there's no reason any member should have SCC levels in the deduction range. Changes to the quality premiums don't go into effect until September 1, 2008. If your herd's SCC level is too high, there's still time to address your herd's SCC levels before the new rates are implemented. Don't wait, contact your MMPA Member Representative today and increase your herd's earning potential!



### **MMPA Somatic Cell Count Premium Program**

*Effective September 1, 2008*

<b>Average SCC</b>	<b>Premium Rate/cwt.</b>
50,000 or below	\$0.55
51,000-75,000	\$0.50
76,000-100,000	\$0.45
101,000-125,000	\$0.40
126,000-150,000	\$0.35
151,000-175,000	\$0.30
176,000-200,000	\$0.25
201,000-225,000	\$0.20
226,000-275,000	\$0.10
276,000-500,000	\$0.00
501,000-600,000	(\$0.10)
601,000-750,000	(\$0.50)
Over 750,000	(\$1.50)