



2008 NDB – UDIA – NMPF JOINT ANNUAL MEETING

Over 1,000 dairy producers and industry representatives gathered in Nashville, Tennessee for the 2008 joint annual meeting of the National Dairy Promotion and Research Board (NDB), United Dairy Industry Association (UDIA) and the National Milk Producers Federation (NMPF). The meeting, held October 28-30, provided information on how promotion and policy programs managed by the three organizations work together to benefit dairy producers and the industry by driving innovation, demonstrating leadership and achieving results.

CWT Program: raised 2008 milk prices by 71 cents

The meeting opened with a “Town Hall” session to discuss the Cooperatives Working Together Program. Dr. Scott Brown, a University of Missouri agricultural economist, who often provides analysis on

farm programs to the U.S. Congress, shared his independent evaluation of the CWT program. Brown evaluated the impact of CWT’s 2008 herd retirement initiated in June, and its export assistance program activities during the first nine months of 2008. His data also incorporates the lingering effect of CWT’s past activities, primarily its four herd retirement rounds prior to 2008.

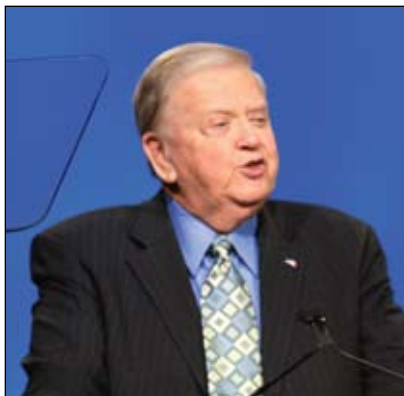
“When you separate out all the other factors affecting milk production, the fact remains that CWT has boosted the milk check of each farmer by 71 cents per hundredweight this year,” Brown remarked. The average impact since 2004 has been 55 cents per hundredweight.

NMPF: five future focus areas

Jerry Kozak, NMPF President and CEO, outlined five areas where he felt the dairy industry needed to focus its energies in order to create

a better future. The first area Kozak addressed was immigration reform. “No other issue has the potential to cause catastrophic results with respect to the production and marketing of milk in this country than the failure of our leaders in Washington to pass meaningful immigration reform,” Kozak stated. He further urged NMPF membership to be vocal and committed to the cause. “We must be ardent in our support for meaningful reform, as those who would shut us down, and we must be on the playing field, not sitting from the sidelines,” he stressed.

In his second area, Kozak outlined the need to reform and revitalize Federal Orders. He proposed “replacing the make allowance structure with a competitive pay price that would allow processing plants to pay what they must for the milk they procure.” Kozak indicated that NMPF’s Federal Order task force has not come up with a way to



Samuelson



Winston



Rothenberg

Left: Orion Samuelson, Farm Broadcaster, WGN Radio, served as Master of Ceremonies for the NDB/NMPF/UDIA Joint Annual Meeting. **Center:** Andrew Winston, co-author of *Green to Gold*, discussed how businesses can succeed by incorporating environmental sound business strategies. **Right:** Stuart Rothenberg, Editor and Publisher, *The Rothenberg Political Report* and Columnist, *Roll Call* provided his insight into the upcoming election and the anticipated outcomes.



NMPF Staff Members Tom Balmer, Rob Byrne, Jaime Castaneda, Chris Galen and Jim Tillison participate in a question and answer session during the opening NMPF Town Hall Meeting.

do this, but said he was convinced that “it is the right thing to do.”

Kozak’s third area was that the industry needs to consider alternatives to the dairy product price support program and MILC program. Kozak suggested that NMPF “should ask Congress to end both programs, and replace them with programs that will benefit the entire industry in a new global marketplace.” Kozak indicated that he is not advocating for the complete withdrawal of government involvement in dairy, but said that we should consider replacing the Price Support Program and the MILC baseline funding with “tax incentives and other initiatives that will reward the use of new technologies and innovation.”

The fourth area outlined by Kozak was that the industry should take a more comprehensive approach to animal care and well-being and environmental initiatives. Kozak noted that one of the biggest changes in the entire food marketing system during the past decade is the intense focus with how food is produced. “Many people are concerned more and more about the environment, their own health, and the quality of food they consume,” Kozak remarked.

Kozak announced that NMPF is assimilating the programs of the Dairy Quality Assurance Center in Iowa into a national program that will be made available to all producers. “I view this as an investment in a

resource center that we will provide our members and others, so that we can build confidence in the integrity of our dairy supply—including dairy beef.”

In the fifth and final area, Kozak addressed the need to maintain, adapt and expand the Cooperatives Working Together program. “Precisely because the government won’t have the resources or the inclination to help farmers as much in the future, now more than ever, we need to have a self-help program, without government involvement,” he said.

Kozak said CWT’s export program should be expanded through creation of a U.S. Marketing Agency in Common (USMAC) to use the potential of NMPF’s cooperative structure and that CWT also should create financial incentives to produce products from American milk that are not being manufactured today. To address the “free-rider problem” and expand membership, Kozak said “we have to find new creative ways to reward CWT’s members, above and beyond those who don’t contribute to the program.”

DMI: dairy can create its future

Tom Gallagher, Chief Executive Officer, Dairy Management Inc. explained how dairy producers have the opportunity to work through the dairy checkoff to create their own future. One way to measure this relates to the positive results on

dairy producer’s checkoff investment. Gallagher cited the annual USDA Report to Congress, which concluded that, from the years 1998 to 2007, the dairy checkoff returned \$5 for every dollar dairy producers invested.

Gallagher provided examples of how the dairy checkoff program has been forming partnerships that result in new products. Partnerships with foodservice have resulted in increased sales of more than a billion pounds of milk cheese and yogurt each year. “Foodservice companies have invested more than \$100 million a year to feature dairy products in their advertisements,” reported Gallagher.

Another partnership cited by Gallagher is one with General Mills that has resulted in Yoplait frozen yogurt chips that are blended with milk for an instant, delicious and nutritious drink. Gallagher also reported on a new five-year partnership with the National Football League that gives dairy unprecedented access to players and teams to help promote milk consumption and physical fitness in more than 40,000 schools across the country.

Gallagher announced the formation of committees of the Innovation Center for U.S. Dairy that will identify future growth opportunities for dairy. The Innovation Center was created by dairy producers earlier this year through DMI, with the strong support of NMPF.

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Apply for the 2009 Michigan Dairy Ambassador Scholarship Program

Students interested in promoting the state's dairy industry are invited to apply to the Michigan Dairy Ambassador Scholarship and Leadership Program, a unique program open to high school and college students interested in pursuing careers in the dairy industry.

Now in its fourth year, the Dairy Ambassador Program offers young leaders an individualized opportunity to represent the Michigan dairy industry and the Great Lakes Regional Dairy Conference.

"The ambassador program is evolving into a rewarding and ongoing opportunity to develop lifelong leadership skills, begin focusing on career options, and network with potential mentors and employers," says Sara Long, GLRDC executive board member and architect of the Michigan Dairy Ambassador Scholarship and Leadership Program.

"This program is designed to fill a niche for training future leaders of the dairy industry. It is for anyone who wants to invest a year of his or her time to learning about leadership, how to harness initiative and enhance team-building and motivating skills," she continues. "It is fulfilling to experience the transformation in young people as they tap into their raw talents to pursue dreams and ideas and apply these to the dairy industry. Whether it's teaching day care groups about the dairy industry or speaking publicly in front of a community group or serving ice cream at a local festival, these projects develop character and offer a chance to gain experience by experimenting with various activities and audiences."

In addition to representing the dairy industry at various functions held through the year Michigan Dairy Ambassadors are each awarded a scholarship. The senior division winner, reserved for college students up to age 22, receives a \$1,500 scholarship. The junior division winner, limited to high school students in grades 9-12, goes home with \$1,000 that can be applied toward higher education or purchasing a dairy animal within the upcoming year.

"We would like to receive applications from all young people, male and female, who have a genuine interest in the dairy industry, regardless of their farming experience," Long says. "Whether you want to be a producer, a food scientist or a nutrition specialist, we invite you to apply."

Lynnae Slavik, of Ashley, is the 2008 Michigan Senior Dairy Ambassador. Slavik, daughter of Jim and Doreen Slavik, grew up on her family's dairy farm and is currently a junior at Michigan State University (MSU) studying animal science.

The 2008 Junior Dairy Ambassador is Brittany Westendorp of Nashville. Westendorp, the daughter of Doug and Louisa Westendorp, helps out on her family's dairy farm and creamery and is a senior at Maple Valley High School.

Individuals interested in applying for the Michigan Dairy Ambassador Program can learn more at www.glrdc.msu.edu or by contacting Megghan Honke at 517-353-3175, ext. 229. Applications must be submitted electronically to honkemeg@anr.msu.edu and will be accepted until Dec. 15.

The 2009 Great Lakes Regional Dairy Conference takes place Feb. 5-7 at the Crowne Plaza Hotel and Conference Center on 28th St. in Grand Rapids. Organizers of the annual conference expect to draw more than 400 producers from the Midwest and Canada. For complete scheduling and registration information, visit www.glrdc.msu.edu.

NMPF Joint Annual Meeting

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"The Innovation Center will help the industry move bigger, faster and smarter in developing products that will turn unmet demand into sales," Gallagher remarked. The Innovation Center board is comprised of a blue-ribbon group of executives and chairs from 30 dairy companies.

One of the committees of the Innovation Center is the Sustainability Committee which will encourage industry innovations, improve environmental performance and position the industry for future marketplace demands.

"We have a great story to tell," Gallagher said. "The carbon footprint per gallon of milk has declined by 63 percent in the past 60 years. In 1944, we had 25 million cows that produced 52 billion pounds of milk; in 2007, we had 9 million cows that produced 180 billion pounds of milk. That's the equivalent of taking 16.4 million cars off the road, or planting 12.3 billion new trees."

Green to Gold

One of the guest speakers at the meeting was Andrew Winston, Environmental Strategist and co-author of the bestseller *Green to Gold*, which highlights what works—and what doesn't—when companies go "green." Winston described to meeting participants how the term 'quality' is being redefined. "The highest quality of product will have the lowest carbon footprint," explained Winston. He reported that retail companies are asking suppliers to show how much carbon is being used to make their product, how the data is being gathered and the ripple effect it will have through the supply chain. "The companies and products that have the most information will have the most shelf space," Winston stated.