



## Local Meeting Buzz

The MMPA membership area is expansive. Visiting annual meetings is a task that because of its size has to be spread among a number of MMPA representatives, including myself. Participating in MMPA's Local Annual meetings for the third year has been very enjoyable for me. To be perfectly honest, I never thought I would look forward to driving so many miles on winter roads to be a part of this process, but the more I've done it the more I like it. This year I've had the chance to observe firsthand the "can do" spirit of dairy farmers. You've survived the most challenging year since the Great Depression, and you're eager to move forward.

With the economic experiences of 2009, you'd have thought this year people might have been somewhat—or maybe even very—pessimistic. That isn't what I've observed. Sure, we discussed the problems we all shared, but looking forward, as farmers tend to do this time of the year, members expressed guarded optimism. This was due at least in part to the fact that we felt "this can't go on much longer." Of course, there still exists in everybody some underlying uncertainty.

Savings accounts have vanished for many. For others, it wasn't just that savings disappeared but also that the need arose to take out additional loans to make it through the crisis.

"How long do you think it will take to just get back to the same financial status I was in before the recession?" was asked more than once. Hopefully, that day will

come soon, but I'm not making any predictions on how soon. A magic number of a \$20 pay price sounds really enticing right now to compensate for the extremely low prices incurred last year. The problem with that scenario would be that a price that high would probably affect consumption, causing prices to soon head back down. Sixteen, seventeen and maybe even eighteen dollar milk is possible without a negative consumer reaction, but beyond that I think we would have a problem. MMPA is projecting an average in the neighborhood of \$17, but it is only a projection. For those few members who told me they bought feed, seed or fertilizer for 2010 when they received their Dairy Economic Loss Assistance Payment (DELAP) to minimize income tax impacts, a price in the \$16-18 dollar range sounds better than to those of us who will still be trying to project when we will reach equity equilibrium.

Cooperatives Working Together (CWT) was discussed at several Locals. One question was "Why should a successful bidder be allowed to repopulate and milk cows less than a year after a buyout and suffer only a ten percent reduction in compensation? Wouldn't the CWT program be more effective if the penalty was higher to prevent cows from being milked by that producer for a full year?" The penalty was put in place to entice more dairy farmers to participate in the program. The program was never intended to retire farmers but instead to retire

cows. So even if cows are milked in that facility the next day, we still retired the cows that were there before. If that dairy had liquidated in the conventional manner, most of those cows would have moved to a different facility producing milk for another owner with little or no reduction in production from those cows. A cow whose job description changes from milk producer to a menu item at a restaurant doesn't start producing milk again.

I heard questions about whether the United States dairy industry will have the ability to produce products capable of meeting the specifications required in overseas markets. I know that product specifications are different in many other countries, but I think our nationwide industry is in the process of modernizing facilities to allow for production that complies with export market requirements. When planning the changes at MMPA's Ovid plant, we opted to invest in state-of-the-art equipment that will give us the ability to meet an even broader spectrum of requirements than we currently have in place.

Those who attended local meetings covered many more topics than I've mentioned in this column. The members are involved not only in their own farms but in the policies of the industry carried out at the local, state, and national levels. The interaction with members is energizing. The importance of your active involvement at the local level cannot be overstated.

*Ken*