

Fulfilling the Co-op Promise: MMPA Bulk Milk Sales Department

Guarantee of market.
Guarantee of payment.
That's the two-pronged
promise of agricultural cooperatives.

It sounds straightforward and simple enough. But it doesn't take long to realize, among the perpetually ringing phones, continuously clicking keyboards and scrolling drone of electronic calculators, fulfilling the MMPA promise isn't easy. And it wouldn't be possible without countless hours of teamwork, expertise and commitment invested by the MMPA Bulk Milk Sales Department.

"Our department, like many at MMPA, is a leader in its field. We achieve a superior level of professional performance built on a foundation of reliability, integrity and customer service unmatched by our competitors. I'm proud to be part of a talented team dedicated to maximizing producer profits and the MMPA advantage," MMPA Bulk Milk Sales Director Carl Rasch affirms.

A Complicated Game of Chess

Dispatch is a hub of activity as three employees serve as "dairy traffic controllers," getting MMPA milk trucks from farms to processors. Reminiscent of the long hours put in by dairy farmers and milk haulers, dispatchers are on call 24/7, 365 days a year.

"Sixty percent of our milk supply is delivered to the same processing facilities daily. Ryan (based in Ovid) and I (in Novi) direct the other 40 percent," Dispatcher Matt Sweet



The MMPA Bulk Milk Sales Department works to maximize the co-op advantage through excellent logistics management, marketing and forecasting. Pictured above, department employees include: front (left to right) Phyllis LaForte, Carl Rasch, Connie Warden and Rick Grill and back (left to right) Ryan Nihart, Matt Sweet, Trish Toth and Therese Tierney.

relays. "We make calls and send emails constantly, filling orders placed by our customers in the most economical way possible. We also balance the supply, making sure the amount of milk processing plants receive, and therefore pay for, matches the volume of milk we pick up from each farm. In this we are part accountant, part detective."

Routing 74 hauling companies making 175-200 daily deliveries to dozens of processing customers nationwide, these logistics moguls are persistently looking at a virtual chess board of options. Since not all transportation costs are covered by member hauling fees, dispatchers chart routes to minimize cooperative transportation costs while fulfilling customer expectations.

"When there's a problem with a hauler, product or plant, we're the first line of defense. We put out fires and solve problems, making sure milk is offloaded at the proper locations and times," Dispatcher Ryan Nihart, responsible for fielding face-to-face hauler interaction at the Ovid plant, adds. "We talk with our own plants to communicate the amount of excess milk we'll be sending their way."

Beyond the chess game, 23-year veteran Dispatch Supervisor Rick Grill serves as liaison between MMPA, haulers, dairy processors and other co-ops (to achieve efficiencies by swapping milk supplies). "We constantly review long-term plans and our hauling financial outlook. We're now assigning scheduled

delivery times for many plants and contacting haulers using their preferred method – email, cell phone, landline, text or fax. It's like playing musical milk trucks as we try to increase the producers' profitability," Rick says.

Every Number Counts

Translating milk volumes, hauling expenses and dairy processing revenues into producer pay prices is a complicated process involving multiple departments. But the rubber really hits the road in the Bulk Milk Sales Department where Weights Clerk Trish Toth and Milk Sales Coordinator Phyllis LaForte's goal is accurately creating a record of the co-op's 1,300 member farms' daily milk production and accounting for every pound of MMPA's 375 million pound monthly milk supply.

"Each day, I sort stacks of hauler weight sheets, recording each producer's daily milk volume. I enter every daily weight sheet into our system, keying in producer numbers, weights and delivery locations for each load of milk," Trish, who has been with MMPA for 18 years, explains. "There are days where I input 500 weight sheets, trying to decipher haulers' handwriting, reconciling producers' weights with the weight offloaded at each plant and catching mistakes before they get to producer payroll."

From missing weight sheets to incorrect bulk tank stick readings, Trish and Phyllis work with dispatch to reconcile discrepancies with farms, haulers and plants. Touting a 17-year tenure, Phyllis occasionally assists with data input, but also helps balance and communicate recorded weights to farms and plants. She handles bi-monthly customer invoicing and reports all milk weights and sales to numerous Federal Order Milk Market Administrators.

“Every day is a balancing act. Because of this great team of integrity-filled professionals, we have the agility and flexibility to react to the challenges of today's milk market and stay afloat.”

— Carl Rasch, MMPA Director, Bulk Milk Sales

"We really do care about your milk and making sure you get paid for what you produce. If you've heard the term 'bean counter,' we're like 'milk counters.' With tightened procedures and editing reports, we check each weight two to three times to try to proactively find mistakes and account for every pound," Phyllis affirms.

Thinking Long Term

After weights and hauling costs are finalized, Accountant Therese Tierney takes the reins. She sums up the month's bulk milk sales profits and costs, presenting budgeted vs. actual producer pay prices estimates to be reviewed by the MMPA Accounting Department and general manager. Therese also uses this data, along with historical trends and reports from field staff, to budget and forecast future producer milk volumes and customer demands.

She collaborates with Carl to develop the department's strategy (based on budgeting and projections), capitalize on pooling opportunities to increase profit margins and formulate relevant data reports to assist with member, hauler and customer relations.

"I collect data, summarize and make sense of it. I look at the budgeted expenses and revenues we projected back in the fall and compare them to actual realized values, putting numbers behind trends and events to explain current and future outlooks to MMPA leadership and customers," she explains. "We produce as much profit for our members as we can. We try to take advantage of marketing

and balancing opportunities to exceed our budgeted profit margins."

First-Rate Service

While the Bulk Milk Sales Department has changed over the years, its driving force – offering superior customer service to members, processing plants and haulers – has not.

"I've been at MMPA for 37 years and still do the same job. But so much has changed. We've shifted from a local customer base to an international scale. Plant and farm numbers have decreased with consolidation, but we are marketing more milk. Instead of using just calculators, we now have laptops and smartphones," Carl smiles. "But we've adapted to the changes in the marketplace and customer expectations. That's why we're still here."

Leveraging the hard work and tabulations of the rest of his department, Carl focuses on the big picture. He negotiates contracts with processing plant customers and milk-supplying members while ensuring the achievement of departmental projections and budgets.

"Every day is a balancing act. Because of this great team of integrity-filled professionals, we have the agility and flexibility to react to the challenges of today's milk market and stay afloat. Their competence and reliability give us the chance to look, not only at today, but at tomorrow, next week, next year and 2020, making sure this co-op remains viable for decades to come," Carl closes.