

President's Letter
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August, 2009

Feed prices are headed down and milk prices are headed up! What do all of these government programs have in common?:

1. The Ethanol Program – with subsidies for domestic production and tariffs against cheaper imports of ethanol. Implemented too rapidly, creating food price increases and near financial ruin for many in animal feeding industries.
2. Community Reinvestment Act (& other sister legislation) – herein banks are encouraged to loan to less creditworthy borrowers. When combined with nearly nonexistent banking regulations created the subprime mortgage mess and financial ruin for millions of investors and private citizens.
3. Wolf Reintroduction as part of (Endangered Species Act) – government spends millions to reintroduce wolves to areas that had previously been freed of this vicious predator. Now killing sheep and calves and horses on a ranch near you, creating serious emotional and financial distress for ranchers.
4. American Horse Slaughter Prevention Act – making it illegal to slaughter horses for food (horsemeat) in this country. Dooms horse owners to near financial ruin when they cannot get rid of unwanted or unneeded horses. Now horses are turned out on remote pastures or are simply starved to death in the backyard because people can't afford to feed them and no one will take them.

These are all well-intentioned programs dreamed up by a few people for the benefit of a few people. The law of unintended consequences applies to all of these government programs. What starts out to be a simple program to “help” someone or “do a good deed” turns into a disaster for a whole lot of other folks, including the taxpayers who are forced to fund the ideas of the “do-gooders.”

With our current dairy financial crisis there has been a strong push to ask the government for help. We appreciate the thoughts and efforts of the Secretary of Agriculture and Congress to try to help us by raising the support price, however, it's really too little too late and possibly counterproductive if it encourages dairymen to keep milking extra cows and allows imported products to flow in for the higher prices. Brad Bouma's testimony to the House Ag Committee Subcommittee on Dairy probably best sums up my thoughts, “The FMMO and Dairy Price Support Program have probably outlived their usefulness and need to be replaced with pricing mechanisms that will allow market signals to work and allow our dairy industry to prosper and

remain the safest, most efficient milk supply in the world. Less government and not more government will ultimately allow us to achieve this.”

I would like to point out that Europe’s Quota System isn’t working very well either. Dairy farmers there are receiving prices below the cost of production as well and the government is trying to prop up prices by buying up and storing products.

Without a doubt, I believe that trying to get the government to save us all by supply management or quotas or any other government program will not work. We do not yet know the unintended consequences!

There are two major current legislative issues that we all need to be aware of: the President’s Health Initiative and Cap & Trade Energy Taxation. Both of these and the deficit spending that is currently running wild in Washington have the potential to damage our businesses and the overall economy to an extent that we don’t fully yet understand. However, current news stories show that the American people are beginning to speak up in town hall meetings and realize that the government is supposed to work for them, not the reverse. Be sure to add your voice to the voices of others who are calling, emailing or faxing their congressmen and senators to inform them that currently contemplated Government Healthcare and Cap & Trade Energy Tax legislation is not in everyone’s best interests.

For more on this issue or to receive an email ready letter that you can send to your congressmen and senators, please call or email my wife Linda or me or the DPNM office...Al/Linda-phone/fax 575-752-0172, DPNM 575-622-1646, lindajsquire@yahoo.com–Linda, alsquireswd@yahoo.com–Al, dpm@juno.com – DPNM.