

President's Letter
Allen G. Squire
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After having survived the losses of 2009, most of us had hoped that 2010 would have been a year for healing financially. It really hasn't turned out that way. Many producers who have only recently returned to profitability now are watching in dismay as milk futures sink below cost of production again and feed costs skyrocket. We seem to be previewing a repeat of 2009. Unfortunately, we are all beginning this next chapter with considerably less equity than the last one.

We must have a new method of pricing milk. Even the CME doesn't think that the CME should be used to price raw milk. There are no market signals that tell us to reduce our milk production when the price drops on the CME. My understanding is that current milk use equals current milk production. So, we are in balance and should get a fair price. The currently reported cheese inventory "excess" of 1 billion pounds is really only around a month's worth of cheese, not an excessive inventory. What we need is a fair price for our milk. Waiting for the next dairyman to fail financially is not a plan. "Last man standing" is not a safe or sane marketing strategy. With so many dairymen across the country at or beyond the brink of solvency, one more sustained financial crisis will probably cause too many dairies to fail and too many cows to go to slaughter. Empty store shelves and exorbitant prices can easily follow after this happens.

Our goal of sustainable prices and a reasonable priced food supply for American citizens is achievable. Those who market our milk can and should help correct the situation. Their inability to do so at this time has led to the "Tea Party" style development of a grassroots "National Dairy Producers Organization." After they get past the start up problems and organizational issues, they will be a force to be reckoned with because they will be the only National Dairy Producers Organization. No coops, no processors, just dairymen with one mission – sustainability.

On a more enjoyable note, several hundred of us recently attended the wonderful wedding ceremony for Bev and Dougie. It was an enjoyable day for all. Congratulations and Best of Luck Bev & Doug!!

As we approach the holiday season, let's have a very Merry Christmas and a very Happy New Year. As President of DPNM, I would like to once again thank Sharon Lombardi, Bev Idsinga, Kaye Dunnahoo and Susan Curry for all their hard work and dedication on behalf of the association and the producers.

Merry Christmas!

