

President's Letter
Gary Bonestroo
June, 2007

Greetings fellow dairy people. Since my last letter, a great deal of good changes have happened in our industry as far as milk prices go.

We may have the perfect storm for dairy, with New Zealand and Australia on their 3rd year of drought, China's high demand for whey protein isolates and concentrates, E.U. reduction in exports to U.S., weak U.S. dollar, rising domestic demands, record N.D.M. prices, and last, but not least, dairy cooperative in California announcement to go BST-free this year. This is about 50% of California milk production. A Florida cooperative is also going BST-free. I guess our G.S.W.A. started something with BST-free. It appears that it is becoming a new trend throughout the country.

With all the wet weather we have been receiving, this year has been difficult for us, but we sure did have a really good wheat harvest! It is a consolation prize of sorts. But, be ready, I believe this wet weather will continue all year.

At the last cooperative meeting in our district, one of the things we were told was that PPD would no longer be on our checks. This is funny to me because I have been dairying in New Mexico for 25 years. When we did not have PPD on our checks, questions were asked about why there was such a big difference between area price and the price we receive. So five or so years ago, our coop's started putting it on our checks. It made everyone more discouraged about the situation. Coop officials tried to explain the meaning of the PPD, but I'm still not sure if it is understood by everyone since there are too many different ways of explaining it. Everything from milk hauled West to help balance spring flush milk production at a lower price when needed, to plant losses and other operating costs such as the BST bonus, \$0.39 of it is part of the PPD quality bonus, SCC, etc. These bonuses need to come from the processors not from within the coops. So PPD will not be on your check, but it will still be coming out of our pool.

At our last DPNM board meeting in Las Cruces, we also met with the New Mexico Farm and Livestock Bureau Board of Directors, which we plan to do more often so we can be on the same page when we have to deal with state issues. It was brought to our attention that not many N.M. dairymen are members of the Farm Bureau like myself. For \$55 a year, you too can become a member, not too much to ask for if I do say so myself. We need to stand united in agriculture and this is just another way we can do it.

Let's all remember Sharon and her family in our prayers with the loss of her mother. You never know when it is going to be your time to go. So enjoy your family and friends and life to the fullest, and thank God for all we have.

Have a great summer, and we will see you all in Ruidoso at our Annual Convention. There we will be hearing our second State of the Agency report from people that really know their facts. And, of course, we will be able to golf, attend the trade show, visit with friends, etc. Have a good one with what ever you do, and God Bless.