

President's Letter
Gary Bonestroo
March, 2007

Greetings to all. I hope this letter finds you all in good sprits or as good as possible considering the current dairy industry conditions. I never thought I would be so happy to see the dust blow after this long, cold, snowy winter. It has been a long time since we have seen a winter like that. I hope it will be a long time before we see another one like it.

Sharon is still in Santa Fe lobbying for us on numerous bills that will have a direct affect on us. She works hard and spends long hours every day looking out for producers. She still has weeks of work to be done, too. Ben Yale is in Iowa with Al Squire as our witness at the make allowance hearing. Maybe we'll get lucky and it will go our way!

We need to go to our GSMA and dairymen around the U.S. need to go to their co-ops and demand more money for our milk, so we can make this dairy industry work for us. Right now it is **JUST NOT WORKING!**

The government wants clean fuel as in ethanol, but we dairymen and cattlemen are paying the price for it so the U.S. can be less dependent on foreign fuels, which is a good thing. However, we need to be compensated for our extra cost; but of course, we are not going to get any help from our government. At least, that is what they are saying right now.

I have a new opinion on trickle down economics in the dairy industry. As dairymen, we are like a spring in trickle down economics. Like that spring turns into a creek and rolls down the mountains, it runs into milk haulers and they get to add to their profit margin. The spring turns into a little river and flows down to the processors; then it turns into a bigger river and runs into the retailers. Then, everybody adds together their profit margins, and, like the mighty Mississippi river, runs down to the consumer. Everybody gets their profit margin except the dairymen. So my conclusion of trickle down economics for dairymen is that it does not work because we cannot mark up our price for milk to cover our extra cost like everybody else that handles our milk when it leaves our farms.

On the brighter side is the announcement of the CWT herd retirement, which by the time you get this letter should have the results on the bid (unlike government programs that take forever to implement). The CWT board announced it, and in 45 days we have

the results. They are that efficient, and we should be proud of them. It is obvious that if we want help for the dairy industry, we have to do it ourselves and we like it that way.

Have a great spring break with your kids. Let's try not to kill each other by outbidding our fellow dairymen on hay prices. The hay will be there. On the way to the board meeting in Santa Fe, I still saw it running down the road from Colorado, load after load.