

Straight Talk

by Pete Hardin

608(c) 18 discussion

1) USDA has probably received almost 100 – and growing – petitions requesting an emergency federal milk order hearing, under existing powers held by the Secretary of Agriculture. When petitioned, the Secretary may convene a hearing to determine the relative prices of milk vs. costs of feeds. The underlying basis of the federal milk order system is to provide an adequate supply of milk for consumers.

2) Most important right now: prepare specific requests for milk price improvement, when USDA asks. On page 3 of this issue, I suggest moving yogurt to Class I. Further, compensatory payments should be assessed and added to federal order pools, when milk powder goes in the vat.

On the subject of farm-point pricing, I think 98.4% of all dairy producers would agree that the point of transfer of the milk is at the bulk tank. Let the buyer pay the hauling costs from the farm. If non-cooperative buyers were legally compelled to pay all hauling costs, the following benefits would accrue:

- Greater efficiencies would be found, from hauling milk to nearer-by plants to innovations in fuels and transportation technologies.
- If the cooperatives could not cover hauling costs, and their pay prices came up “short” (relative

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to independent buyers), then let Mother Nature take her course.

Beyond past inequities, it’s downright absurd to expect dairy farmers to pay milk hauling costs, when we’re looking at conflagration in the oil-producing Mediterranean and Middle East.

3) We need some responsible dairy organization(s) taking the lead on the 608(c) 18 issue. A degree or coordination is required that goes beyond me.

4) The 608(c) 18 petition process requires no new laws. This issue is a gut-check for Secretary Tom Vilsack. If Vilsack doesn’t respond fast to this price/cost crisis in dairy country, he deserves effigy prior to the November 6 elections.

5) Obviously, there are other good ideas out there to modernize federal milk orders and boost producers’ prices to a point that will sustain milk output. Relying on Uncle Sam is not the whole strategy. The 608(c) process, in my opinion, is USDA’s last chance to get it right.



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6) If USDA fails in this task, I think the only route to go is for dairy farmers to form regional milk producers’ guilds. Guilds could collect data and suggest pricing strategies for dairy farmers. In the “information age,” there are a lot of strategies that dairy producers could enact, if they would finally get their collective act together! Federal law disallows agricultural producers from forming unions (not to be confused with cooperatives). (Why do that when they have the “benefits” of the likes of DFA and LOL?)

Double-Foraging?