



## Milwaukee Milk Producers

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Testimony of Marvin Anderson

Representing Milwaukee Cooperative Milk Producers

& Lakeshore Federated Dairy Cooperative

Before the

United States Department of Agriculture

Regarding

**Request for Hearing on Order 30 Pooling Limits and Transportation Credits and Distant Milk Performance Levels**

A Statement In Support of Proposal 2

Comments by Marvin Anderson

August 17<sup>th</sup>, 2004

My name is Marvin Anderson. I am a dairy producer from Hillsboro, Wisconsin. My wife Helen and I began our farming career back in 1967; and 5 years later we purchased my father's family farm. Our life on the farm includes working 520 acres of cropland and caring for 85 head of registered Holstein cows and young stock. Producing lots of good quality healthy milk for our consuming public remains a top priority in our operation. Our rolling herd average stands at over 22,000 pounds per animal with monthly average quality count of 200,000 cell count and bacteria count of 15. I serve on the Board of Directors of Milwaukee Cooperative Milk Producers for the past 7 years, currently in the capacity of treasurer. Milwaukee Cooperative Milk Producers is a milk marketing and service cooperative organized way back in 1916. We are the oldest bargaining milk cooperative in the Upper Midwest.

One of our qualified cooperative duties is to ensure proper test and weight verification on raw milk sales for member's in accordance with Federal Order provisions. Our membership consists of over 900 dairy producers located primarily in Wisconsin. We also have members located in Indiana, Illinois, Iowa and Nebraska. Our family dairy owners ship their milk and receive payment through 38 different proprietary plants and cooperative handlers in the Midwest. We also provide various other services for our members such as; state and national legislative representation, health insurance options, water testing services, a milk loss disaster assistance program and federal order involvement; such as this hearing.

I am also on the Board of Directors of Lakeshore Federated Dairy Cooperative: a group consisting of Mid-West Dairymen's Co., Milwaukee Cooperative Milk Producers, and Manitowoc Milk Producers Cooperative. In the past I have also served two terms as a Board Member of the Wisconsin Federation of Cooperatives.

I feel honored to appear at this hearing to express my views **in support of Proposal # 2**, which in essence limits the pooling of distant milk on this Order and to offer a solution to minimize the amount of re-pooling of milk after de-pooling in this market to help increase monetary returns and restore equitable treatment to hard working dairy producer families, throughout the upper Midwest milk marketing geography. I've read many articles over the last 3 months on this subject talking about the need to limit these large swings in PPD pool values that not only I have experienced, but also other members of our cooperative who have been negatively impacted. My milk for the past 5 years is delivered to Westby Co-op a manufacturing plant, located about 30 miles from my farmstead. The plant produces primarily cottage cheese, along with some cheese, and sells a portion of its supply to the fluid market and other cheese manufacturers.

When I went to my mail box on June 20th my May final milk payment check was there. Milk prices as you know have been very favorable these last 4 month's, and boy we sure needed it to recoup our losses over the prior 1 & ½ years of painfully low prices. But upon opening that check I was not only surprised but also thoroughly disappointed when I saw a negative \$1.97 as my PPD value of my check. I calculated this negative PPD cost me about \$1900 dollars and almost feel like it was taken right out of my pocketbook. I contacted several of my neighbors who ship to other markets and compared what their milk payments for the month were. Well low and behold their PPD amounts were at zero. I feel this great variance has disadvantaged me price wise. Our cooperative has always been strong proponents in recognizing the value that Federal Orders play in stabilizing and propping up prices to producers. I feel strongly that changes have to be made in the Federal Order system that now, due to unfavorable conditions, allows this type of unfair competitiveness between handlers to evolve.

My understanding of proposal number 2 is that it will help correct this situation. In regard to the growing distant milk issue, I feel that if these distant handlers want to collect money from the Order 30 pool then they should ship and serve our market.

In closing I feel the large amounts of de-pooling has to be addressed by limiting the amount of re-pooling and the pooling of distant milk on Order 30 when virtually no shipments to fluid markets are made. I implore USDA to right an inequity that exists in our marketplace that is taking dollars away from all local producers supplying the fluid market.

I appreciate the opportunity to give my views and thank you for your consideration of our proposal.