

## THE ROLE OF LARGE COOPS IN MARKETING MILK

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I believe you were interested in more than just marketing when you asked me to speak to you today. If marketing alone was your interest we have our Vice-President of Marketing, Mr. Gary Hanman and his whole staff that could cover the subject much better than a dairy farmer like me. So I'll tell you a little about Mid-America Dairymen, Inc., our marketing, our problems and some of our philosophy.

Mid-Am is now 39 coops all merged into one. We have about 21,000 members in 13 mid-western states with 7 billion pounds of milk annually. We have about 80 plants, offices and locations to service members. In our plants we make every thing you can name that has to do with dairy products. We make butter, powder, cheese of every kind, flavored drinks, puddings, yogarts even baby formulas in the bottle and special diet foods. We bottle and sell milk, some in our own grocery stores called "Stop and Go" stores. It seems to me one market advantage to being large is diversification. If one price of one product line is low another product is going to be high so it's good profit insurance for members. We all share in the manufacturing pool in relation to our participation. Our Grade A pricing is determined by the Federal order we supply.

Diversification is just one advantage to being a good sized cooperative. We feel you can have a more highly qualified staff and it costs less per member. I feel there is another phase of marketing that we dairy farmers are only beginning to learn how to use. This is called politics. Some of our members pay into a political trust fund, on a volunteer basis, to help their friends in government while they are running for office. I feel there is a real opportunity in this field if we use this marketing tool in proper balance with federal orders, good bargaining and sound operations.

One of our universal problems whether large or small is communications. It's so important we communicate properly with our members, our customers, our consumers, our handlers and especially with our sister coops. It is not an easy task but all of our cooperatives need to do a better job of relating to those around us.

The greatest chance for achievement in the 20th century is not in planes, rockets, machines or computers. The greatest chance for achievement in the 20th century is in the minds of men. We need to train the minds of our members to think "WE", "US" and "OURS". They must think cooperatively. There are so many outside our coops who are trying to destroy us that we should certainly be united in selling our coop movement.

We live in a great country and our cooperatives are the very model of democracy. We elect representatives who meet, discuss, debate, vote, then the majority rules. This is democracy in action. We need to strengthen this kind of democracy and we can do it by building strong cooperatives, this in turn will build a stronger America.