

**FUTURE COMPETITIVENESS OF THE FLORIDA DAIRY INDUSTRY:
INTRODUCTION**

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(The following from notes taken by H. H. Van Horn)

Florida dairymen have improved their competitiveness tremendously in recent years. However, the problem right now is that everyone in the Southeast is hurting. After all deductions, the mailbox price for dairymen in Florida \$13.00 to \$13.70 which isn't much different from many other parts of the country. Our production is down about 10% and there is still no over-order premium relief in sight in the short run.

Our competition currently is not only northern milk but also western milk. For example, New Mexico has built tremendous production that is poised to take advantage of exports to Mexico in the future but currently is needing to dump milk to minimize losses. Idaho also has a lower support price, perhaps to curb growth.

Our advantages currently are that feed ingredients are reasonably priced. A primary disadvantage has been our climate which was particularly acute in 1994 with the usual heat and humidity and more rain and mud problems which had a direct effect on mastitis and lower production.

Transportation is a real cost which works against Florida dairymen when they pay the cost of bringing in milk to meet contract needs with processors during times when supply in Florida is short and works against Florida dairymen in surplus times when Florida milk is shipped north for processing. I think the processors are making good money under these conditions. Something new is needed to spread some of the costs and profits more equitably through the various segments of the industry.