

MILK SUPPLY AND MARKETING OUTLOOK PANEL DISCUSSION

The comments by panel members Joe Wright, John Peachey, Sam Swett, and Gene Smith were made following presentations by Paul Halnon and Bill Thomas. The panel members comments and the question and answer discussion were taped and transcribed by Michael A. DeLorenzo, Professor, Dairy Management, University of Florida, Dairy and Poultry Sciences Department, who moderated the Milk Supply and Marketing part of the program

Sam Swett
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Paul Halnon was a significant contributor to getting the farm bill in the shape we wanted. I did compliment Bill Boardman the other day at our board meeting on what an excellent job he did . . . but not quite as good as Bill thought! But overall we did come out much better than Paul, Bill or our leaders thought we would, so I think we are in excellent shape for the next few years as far as government programs are concerned.

I would like to point out quickly that I am well aware that 1990 was the last real good year the dairy farmers had in Florida. Since 1990 we have had a continual drop in prices. Last fall we finally got prices back to where they were in 1990. In fact, in the first part of this year, they were a little higher. We are now projecting that in 1996 we will average close to \$1.50 a cwt. more than a year ago. This is not all roses because feed costs have gone up considerably, but we do think we will average around \$15.50 in mailbox money for central Florida and \$15.90 in south Florida.

I enjoyed Bill's Thomas' comments. I will add only that it is not the milk up north or out west that is our problem, it is the milk right across the line in Georgia that is our problem. After last May, when we tried to hold up prices, we lost 5% more sales to packaged milk and 13% to Mid-Am in bulk milk. I am not saying that was the wrong thing to do, I think our price committee made the right decisions on holding prices up, but it was not without some sacrifice. We now don't control 22% of the Class I sales in Florida. Now 9% percent is coming from packaged milk, mostly from Georgia and 13% is now controlled by Mid-Am with that milk coming mostly from Georgia. So, the far out milk is not our primary problem, and I don't think it will be our problem in the future. It's the close-in milk that is our problem. Hopefully we can get more cooperation than we have had in the past among cooperatives to have a federation that will be able to increase prices in Georgia, Alabama, and South Carolina. This would strengthen our price.