

## Declare a 'Milk Shortage'

In the 1970s, a time of periodic "shortages" of certain consumer goods, Johnny Carson announced on his late night talk show that a nationwide shortage of toilet paper loomed. Carson was joking. But the public believed him. The resulting "run" of toilet paper purchases did lead to empty shelves at some retailers selling toilet paper.

In watching the news media response to recent months' run-up of consumer milk costs, I cringe at how poorly dairy's leadership has responded. Since around April 1, 2004, the news media has hammered away at higher milk costs. Consumer purchases for fluid milk this spring have suffered, although it's too early to honestly assess the full damage. I think dairy leaders should have taken a cue from Johnny Carson and portrayed rising milk prices are the result of a serious national milk shortage ... implying that consumers should be glad to find milk at their supermarkets and convenience stores. Goodness knows, rising gasoline prices have been correctly ascribed to supply shortages (relative to demand).

The "Oil vs. Milk" analogy is appropriate, giving rising oil prices. Recently, the Dayton (Ohio) *Daily News* carried a cartoon of a television announcer claiming, "The cartel has raised the price to \$3.79 a GALLON," as in the background three milk cows (in Arab garb) sat behind a place card titled "MOOPEC."

### N-U-T-R-I-T-I-O-N per gallon

When the news media boo-hoos about consumer costs per gallon of milk, my reflex thought is: compared to what? Soda? Bottled water?

Take a 12-oz. can of soda priced at 99 cents. That cost comes to \$10.56 per gallon for water, sweetener, and carbonation. The aluminum can probably costs the processor more than the ingredients.

Anybody for a 16-oz. bottle of water for the bargain price of \$1.29? That cost equates to \$10.32/gallon ... for water. (Talk about marketing. Where would today's yuppies be without their omnipresent water bottles?)

Soda and bottled water prices are almost three times as high as milk. Where's the media on these costs?

### "Shortage" contradictory to dairy interests

Of course, a truthful declaration of milk "shortages" in the U.S. would impinge on the big boys' "business as usual" in dairy.

- Dean Foods' stock prices might tumble, as investors perceived that raw product costs for the nation's largest fluid milk processor would drive up costs and impair profits. Egad: we couldn't let Gregg Engles' milk monopoly stock go in the tank. That yuppie might have to get a real job!

- The dummies at National Milk Producers Federation can't admit a present and future U.S. milk shortage. Those nitwits are running a \$60 million national program trying to get dairy farmers to kill cows to get rid of a non-existent national milk *surplus*. Talk about getting it wrong! NMPF's "Cooperatives Working Together" scam is the most brain-dead dairy program in history. The U.S. dairy industry needs every healthy milk cow it can muster. Killing dairy cows to solve a fictitious "surplus" is insane and inhumane.

If there's such a shortage of milk, why were the nation's big dairy co-ops closing manufacturing plants and shorting sales of raw milk to buyers in recent months?

The big dairy co-ops' milk powder cartel, DairyAmerica, is preparing to sell U.S. milk powder to Cuba, while turning away domestic customers! The big dairy co-ops are as worthless as mammaries on a physically intact, male member of the porcine species.

- Declarations of milk "shortages" would reveal the mountains of fecal contamination that USDA Exten-

sion dairy economists have been spreading to dairy farmers about how milk prices are going to plunge to \$12/cwt. by the end of the year. Further, all the advice from these eggheads (and dairy commodity brokers) telling dairy farmers to sign up for fixed-price contracts to protect themselves from serious milk price declines would look bad, if we admitted that, short and medium term, U.S. milk supplies are tight.

- Admitting serious short and medium-term milk shortages would send a clear signal to dairy farmers (and their lenders) to gear up to produce more food. That's not the message folks are hearing. Egghead Ken Bailey (Penn State dairy economist) recently warned agricultural bankers in that state to prepare for \$12/cwt. by the end of 2004. Penn State ought to put Bailey in a dumpster. Even more recently, Bailey projected a 1% decline in 2004 milk production. Twelve-dollar milk?

- Why should dairy farmers promote milk and milk products if there's a shortage? We can't sell more than we can produce, and in the coming months (and likely years), we won't be able to produce enough.

- Admitting future milk shortages would torpedo efforts by big co-ops to get farmers to sign fixed-price milk supply deals. The co-ops have stolen a lot of money in such deals.

- Finally, admitting to serious present and future shortages of U.S. milk supplies should call into question the failed government policies that have misguided our dairy industry for years. Policies that have encouraged the growth of western factory dairies, in arid climates, are wrong-headed. Beyond a certain point, USDA's promise to remove all surplus cheese, butter and milk powder merely served as a built-in incentive to encourage dairying where the consumers and water are NOT. Future reason calls for producing food with emphasis on regional and sub-regional, as close to the consumer as possible. Energy costs and water realities will render anything else inefficient. Notions that this nation doesn't need food producers, that the U.S. can import all its food (as espoused by one University of California-Davis egghead), are criminally insane.

Federal food policies have been in a destructive mode for family farmers and consumers for decades. Admitting food shortages is admitting failure of the big boys' grand schemes' failure to feed the nation.

Never in my lifetime in the dairy industry have I seen so warped a denial of reality. But when you review the reasons why admitting a shortage of U.S. milk supplies would be contrary to the interests of dairy's power brokers, maybe it starts to make sense. The big boys don't give a rat's posterior for what's good for the farmer or the consumer.

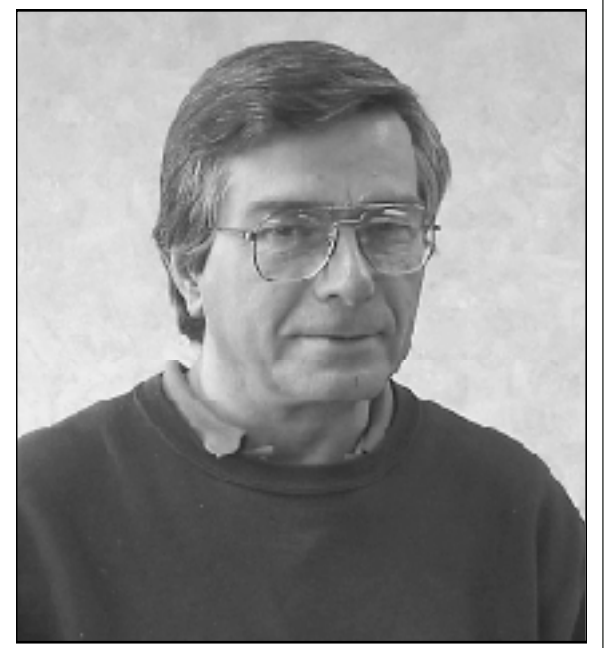
Believe me: the productive capacity of the U.S. dairy industry is seriously impaired.

## New Features Aim to Serve

Readers will notice two new twists to *The Milkweed*. First, we've started a national map of dairy livestock values.

To my knowledge, nothing like this has ever been attempted on a national scale. This information, drawn from both web sites and private individuals, puts into national perspective current dairy animal prices. Dairy animal values represent key knowledge for all folks who own dairy animals. This presentation is a work in progress, subject to further refinement and polishing.

Second, we've started a long series of articles about electrical pollution. Journalist Kurt Gutknecht has spent several years studying electrical pollution and its effects upon animals and people. Kurt has an important story to tell and we welcome his focus on



Pete Hardin

this subject that readers will find valuable. Time and time again, I've heard farmers pushed over the edge financially and emotionally by electrical pollution. This story needs telling.

The dairy industry—from farm to consumer—is a vibrant industry. *The Milkweed* strives to provide readers a wide array of valuable information.

## New York AG's Office Nails Illegal Imports ... Again!

They're at it again! The New York State Attorney General's office has fined more firms selling and distributing illegal dairy imports in New York City.

Eliot Spitzer's staff has fined 14 more retailers for illegal sales of dairy imports. All of those stores are located in the Borough of Brooklyn.

In the first half of 2003, Spitzer's staff impounded bottles of illegal fluid milk from Russia that were being sold in New York City. That investigation led to fines against importers of yogurt and other dairy products from Israel, Poland, France and several eastern European countries.

Two distributors are being fined in the latest action: Mesada International Trading of White Lake, New York (\$25,000), and B & B International Connections, Inc. of Brooklyn (\$5,000).

## Thanks for Your Concern

As noted last month, on May 17 I had heart surgery. For several years I have been bothered by irregular heart rhythms. During 2004, such events increased, necessitating surgery. The procedure is a "catheter ablation," which involves putting a small sonic burning device up into the heart through an artery. The doctors then burned away the circuitry inside the right side of the heart that was believed to have been faulty. The procedure is fairly common—as vouched in advance by several friends.

The surgery went well, I was up and eating a few hours after the operation and home the next day.

However, a couple weeks later, I flunked a "stress test" (loading a hay wagon), and went into what the electrocardiogram showed to be a different pattern of irregular heartbeats. Grrrr. I must be careful while the doctor tries to figure out things. I want to thank the many friends who sent "get well" cards. Thank you all for your thoughts and prayers.

Life and health are gifts. At age 14, I shattered the top three vertebrae in my neck in a gym accident. I was very lucky to survive, very lucky not to be paralyzed, and very lucky to benefit from the skills of a top-notch spinal surgeon who glued my spinal column back together (using bone from elsewhere in my body). I grant those in medical professions tremendous respect.

Let's remember that many folks have challenges that weigh on their thoughts and emotions. It's important to be respectful and tolerant of all persons in our daily interactions. Life and health are truly gifts.