

Proposal

The labor industry in this country has a minimum wage. Why can't we have a similar pricing formula for the dairy industry.

example: Target minimum milk price
\$15 per hundred weight

This will give producers a realistic safety net (unlike MILC which varies according to class 1 mover) If the price climbs above this mark at least we will know where the bottom is, therefore stabilizing our industry & livelihoods.

Each producer should receive a personalized cap for their production based on their 5 year running average.

example: 2002 - 750,000 lbs of milk

2003 - 680,000

2004 - 715,000

2005 - 783,000

2006 - 728,000

731,200

Average for

2007 cap

objective: To eliminate the need to divide producers, dairymen, etc. into classes. The cost of production is high for all classes.

objective: To prevent the peaks & valleys of national milk production.

Dairy farmers make their living from the production of milk.

When the price falls the only tool they have to survive is to increase production, which in turn, drives the price down again.

objective: To eliminate the need for short-term fixes such as MILC & CWT programs.

Over the cap price should be set at \$10 per hundred weight to keep production even. It would also prevent overages on the market.

(over)

Milk Markets, Co-ops, etc.

These processors should keep their marketing tools in place such as premiums for butterfat, protein, low S.C.C. counts & bacteria. They should also be accountable for setting accurate caps for beginning producers, as well as raising caps for current producers when demand is not being filled.

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