

# Tempting a 'soured milk' backlash

## Food for Thought

**A** FEW weeks ago, a national television news commentator hammered farmers for high retail milk prices. She blamed dairy farmers for today's decent milk checks. She blamed

corn growers and the ethanol industry for high corn prices, which, of course, increase feed costs for farmers and processed food costs for consumers. She shoveled blame by the scoopful.

One of our local newspaper reporters must have been taking notes. A few days later, a front-page story amplified the same message, adding that farmers were charging more because drought conditions reduced food supplies.

After regaining my "cool light of reason," I e-mailed the paper's editor and

extended an invitation for the reporter to visit about how farm marketing really works. (The reporter didn't take me up on the offer.)

### Mystery of the milk case margin

Milk case prices have indeed been rising. And when dairy analysts crunch the numbers, they'll find that retailers and processors are sharing the greatest portion of the markup.

Those margins are very likely to grow — at the dairy farmer's expense. If

you've been monitoring the milk cases lately, you've seen a steady increase in value-added labels.

Now even organic milk is under pressure by "organic-lite" labels: "No artificial hormones," "r-BST-free" and "natural." Looking at these labels, you might think that plain whole milk comes from chemically addicted cows.

Marketers want consumers to think that the higher-priced product is safer. But you and I know the truth. Once consumers and the media catch on, they won't be happy. And dairy farmers will pay dearly for it.

Private conversations with Northeast milk cooperative officials lead me to believe that major processors, such as Dean Foods, will undercut organic demand with proliferating "almost organic" labels. Any premium now paid for not using Posilac is likely to disappear within a year.

I asked those same officials: "Can you encourage more dairy farmers to transition to organic milk?" The unanimous answer was: "No." Organic milk already has moved into a surplus situation.

### No-loss N in no-till

At August's Ag Progress Days, I was visiting with Grant Troop, Extension no-till agronomist in southeast Pennsylvania. I mentioned that no-till didn't "show" very well in the second year of runoff studies at University of Maryland's Wye Research Center. (See September issue, Page 7.)

Snorting, Troop quickly replied, "It wouldn't have happened if they'd used a cover crop! Cover crops prevent nitrogen and sediment runoff."

### No alfalfa seed shortage?

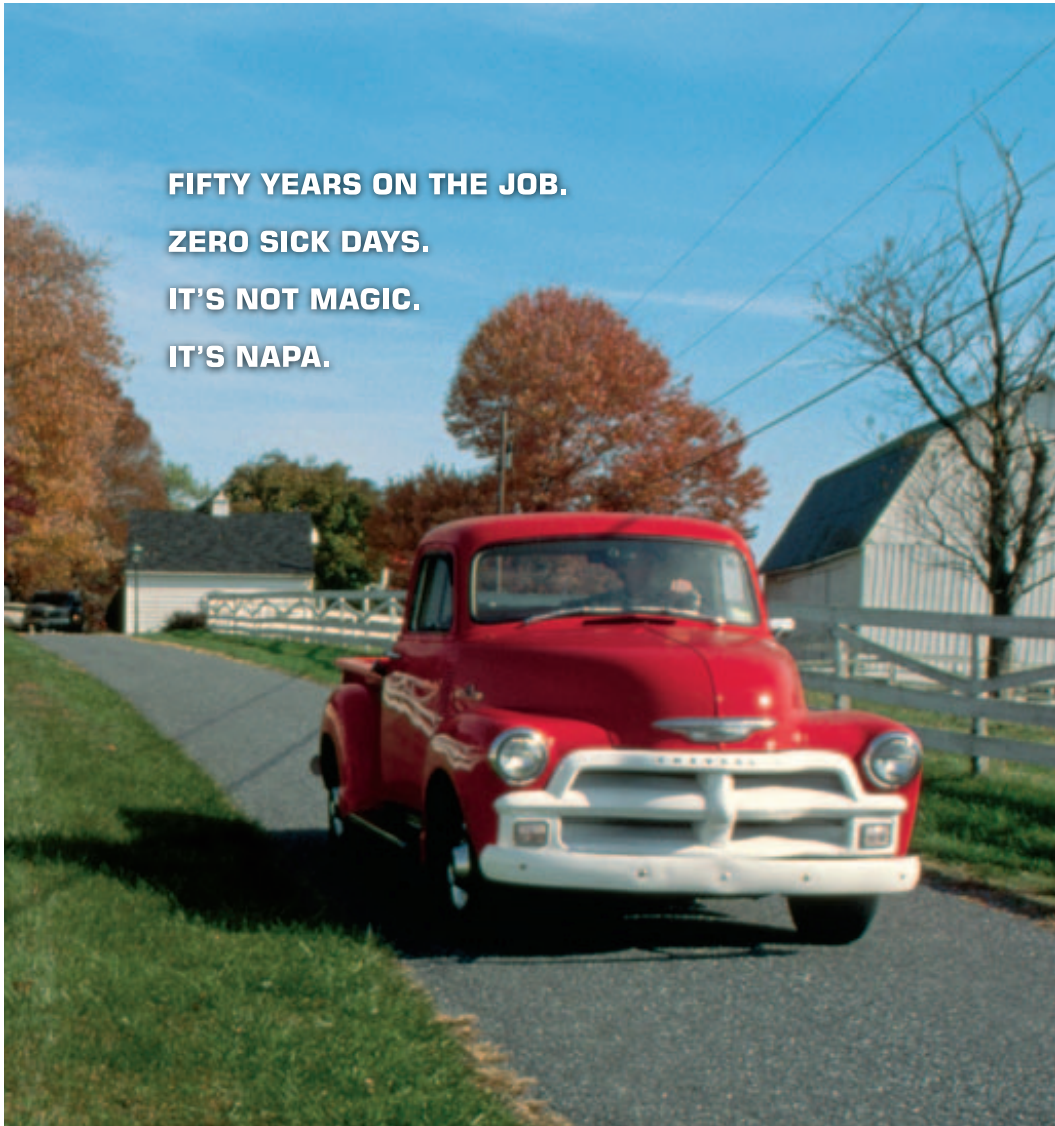
Last month, a regional sales manager for Dairyland Seed pulled me aside to say: "That [July] article about a shortage of alfalfa seed was wrong. Forage Genetics isn't the only company developing and marketing new alfalfa varieties."

He's right, of course, about one thing. Forage Genetics isn't the only alfalfa variety developer.

Nonetheless, seed supplies are tighter than normal because of the California court's decision to keep Roundup Ready alfalfa out of the marketplace, at least until USDA completes the required environmental impact review. And, if you've checked alfalfa seed prices, they have gone up just as the article predicted.

### BITE-SIZED MORSEL

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