

MANAGING THE HIGH-PRODUCING HERD.
V. CHALLENGES OF THE 90s

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The decade of the 1980s was a transition period for the Dairy Industry in the United States. The decade began with a large milk surplus and low prices and ended with milk shortages and record high prices. The dairy industry experienced drastic governmental action through the milk set-aside and whole herd buy-out programs instituted to reduce the milk surplus and the establishment of the National Dairy Board accompanied by a check-off program to fund advertising and research. The decade ended with a butter surplus and moves by marketing agencies to lower or drop premiums for fat and install premiums for milk protein or solids-not-fat.

We enter the 90s with a lean industry in terms of cow numbers and herds but a relatively efficient one in that production per cow is at an all time high. Application of existing management practices and the adaptation of new technology will continue to push production per cow upward at a time when governmental involvement in bolstering milk prices is losing popularity.

The current decade is promising, but will cause us to make some hard decisions in order to maintain a strong position in the marketplace. Past actions of the National Dairy Board have had a positive influence on milk sales, consumer attitudes toward dairy products, and new product development. However, the industry must be willing to continue a strong advertising and research program and adjust to consumer demands. This aspect of our industry is not a "now and then" program but one that requires constant attention.

Issues that cloud the horizon include antibiotics and other drug residues in milk, the fat-protein premium question, standards for somatic cell counts, adaptation of biotechnologies such as rBST, supply-demand equalization programs, federal order programs, and market oriented shifts in product demand, along with a host of issues surrounding governmental involvement in agriculture and activities of our milk marketing cooperatives.

These issues must be addressed and logical decisions made, if we plan to be a growth industry during the 90s. Now is not the time to give in to "what's good for me today" thinking. Decisions should be made that will provide a strong foundation for future development and continued solvency of the Dairy Industry.