



**For Immediate Release**  
Oct. 14, 2009

**Contact:** Jayne Sebright, 717-259-6496  
[c-jsebrigh@state.pa.us](mailto:c-jsebrigh@state.pa.us)

## **DAIRY BUSINESS EXPERT PROVIDED INSIGHT ON MARKET TRENDS, PRODUCER FINANCIALS AND OPTIONS**

**HARRISBURG** – Nearly 100 dairy producers and other agribusiness representatives learned how the world economy has affected the dairy industry internationally and domestically from Vita Plus representative Gary Siporski. As part of the Center for Dairy Excellence’s “Mastering the Dairy Business” conference call series, Siporski also offered advice on ways dairy farm families can evaluate their businesses, make difficult decisions, and prepare for future opportunities.

Siporski said the global financial crisis has led to a 66 percent drop in consumer spending that dramatically affected the dairy industry, with dairy export revenues alone declining \$1.7 billion.

Karl Hess, a Farm Service Agency loan officer in Lancaster, was one of several lending representatives to participate in the call. “We work with about 140 to 150 dairy accounts, and many of those farms are financially stressed like never before,” he said. “The call was extremely beneficial for us to grab those ‘snapshots’ of information we can share with our customers as they make difficult business decisions.”

Siporski forecasted a gradual increase in milk prices over the next four to five months, although he anticipated it would be slow to change.

Hearing that outlook was very beneficial to Stacy Anderson, All-Tech Northeast Marketing



Coordinator, who hosted a luncheon and listening session for 15 nutritionists and two producers who participated in the call. “The industry is in crisis right now, and everyone is looking for light at the end of the tunnel,” Anderson said. “The call looked at imports and exports, supply and demand, and what needs to happen to increase the milk price, which was very valuable information for our customers.”

Siporski challenged producers to watch for every margin opportunity regardless of the milk price. “Many of my clients keep asking when the milk price is going to go up,” Hess said. “According to Gary, that is the wrong question to ask. Instead, they need to be asking what their margin is and what they can do to move it positively, both on the income and expenses sides.”

Siporski emphasized that producers should evaluate every angle and expense to influence their margin. Forage quality and storage, protein substitutes, product usage, and changes to how they handle labor should all be considered.

“He encouraged them to talk with lenders, evaluate their cash flow, and know their equity position,” Hess said. “It was really beneficial for us to hear that because many of our clients are new start-ups who could be looking at zero or less than zero equity right now.”

Anderson agreed. “The call helped provide All-Tech customers and producers with the latest information on the economics of the dairy industry and the agriculture industry as a whole,” she said. “It really helps that we can partner with the Center for Dairy Excellence to provide this type of information to help our producers pull through this situation.”



“Gary made it clear that just faithfully getting up every morning to take care of your dairy herd does not guarantee success,” Hess added. “You really need to look hard at your business and know that there can be a good life after farming if that is the decision you have to make.”

The calls are held during the noon hour to accommodate farming and work schedules, with each call recorded and accessible online for those not able to participate in the initial call.

Siporski’s presentation is available online at [www.centerfordairyexcellence.org](http://www.centerfordairyexcellence.org). Click on “Center for Dairy Excellence Events,” then on “Mastering the Dairy Business Conference Calls.” Links to an audio recording of the call and to hand-out materials are available on that page.

For more information, call the Center for Dairy Excellence at 717-346-0849 or e-mail

[info@centerfordairyexcellence.org](mailto:info@centerfordairyexcellence.org).

###

*The Center for Dairy Excellence is an initiative of the Department of Agriculture and was launched in January 2004 by Governor Edward G. Rendell. Bringing together people from more than 40 different dairy organizations in Pennsylvania, the Center’s mission is to enhance the profitability of the dairy industry by empowering people, creating partnerships, and increasing the availability and use of resources. Learn more about the Center at [www.centerfordairyexcellence.org](http://www.centerfordairyexcellence.org).*