
Milk Marketing Policy

- Advocate milk pricing systems designed to price milk based on its most valuable components, in accordance with their use in consumer products.
- Continued implementation of equitable, multiple component pricing (MCP) by individual plants and cooperatives.
- Adoption of higher, more flexible minimum solids-not-fat (SNF), protein, and/or other solids standards for fluid milk.
- Supporting producer-funded dairy promotion and research programs.
- Promoting development of trade policy consistent with a healthy domestic dairy industry, especially for manufactured products.

Policy on Solids-Not-Fat Standards for Fluid Milk. National All-Jersey Inc. supports efforts to raise fluid milk standards by extending California's minimum nonfat solids standards to all U.S. retail fluid milk. Currently, the state of California requires a minimum of 8.7% solids-not-fat in whole fluid milk, while the rest of the U.S. only requires a minimum of 8.25% solids-not-fat. Raising fluid milk standards will create more demand for milk solids while giving consumers a more consistent, more nutritious product. In addition:

- Using condensed skim milk to meet higher solids-not-fat standards will lead to less nonfat dry milk being produced, which in turn will require less Commodity Credit Corporation purchases of excess nonfat dry milk
- Consumers will be provided more protein and calcium in each glass of milk, giving them more nutrition and better taste.
- Standards for fluid milk will be uniform across the country, giving consumers a more consistent product.

A Focus on the Customer

There are four reasons National All-Jersey Inc. has been able to accomplish its mission.

NAJ Is Customer Oriented. By "customer," we mean much more than an NAJ *member*, or Jersey milk producer. NAJ's customers are also the *plants* or *cooperatives* that purchase and market Jersey milk, and the *consumer*. Serving the needs of three types of customers is not easy, but it is key to NAJ's success.

NAJ Programs Are Economically Sound. NAJ seeks equitable payment for Jersey milk producers for one reason, and one reason only. Jersey milk has additional economic value.

NAJ Is Based on Member Involvement. Without members dedicated to the cause of equitable milk pricing, NAJ would not survive. And, the Jersey breed would not enjoy its current, strong industry position without Jersey producers' continuing support of National All-Jersey Inc.

NAJ Is Adaptive. Its history shows that NAJ programs and services evolve to meet milk marketing needs. NAJ avoids the philosophies, "We have always done it that way, so why change" or "It can't be done." When change is needed to better serve its customers, NAJ will adapt.

You are invited to join our efforts. Call or write:



NAJ
National All-Jersey Inc.
6486 East Main Street
Reynoldsburg Ohio USA 43068-2362
(614) 861-3636 phone
(614) 861-8040 fax
www.USJersey.com website
David Endres *President*
Erick Metzger *General Manager*

About National All-Jersey Inc.

National All-Jersey Inc. (NAJ) was formed December 9, 1957 by the American Jersey Cattle Association, the oldest dairy breed registry organization in the United States. NAJ's mission is two-fold:

- To increase the value of and demand for Jersey milk; and
- To promote equity in milk pricing.

National All-Jersey Inc. is the only organization that represents milk marketing concerns for owners of a single dairy breed. It is a legal entity independent of the American Jersey Cattle Association. NAJ has its own Articles of Incorporation, Constitution and By-Laws, and Board of Directors, Officers, and Members. It functions cooperatively with the Jersey registry association by sharing several Directors, Officers, and staff personnel, and occupies joint headquarters offices in Reynoldsburg, Ohio.

Operational Funding

NAJ is funded through Equity and All-Jersey® fees. It receives no monies from the American Jersey Cattle Association.

Equity fees are voluntary contributions from individual producers or producer organizations. The amount ranges from two to six cents per hundredweight of milk marketed, or \$3.20 per cow enrolled on the REAP program. This money is used to develop specialized markets and to promote multiple component pricing. All-Jersey® fees are paid by processors for the right to use the All-Jersey® and Queen of Quality® brand labels.

NATIONAL ALL-JERSEY Inc.

An Organization
Working on Behalf of
Dairy Producers,
the Milk Industry,
and
Consumers of Dairy Products

The Many Roles of National All-Jersey Inc.

The roots of NAJ's mission are found much earlier in the 20th Century.

In the 1920s, the American Jersey Cattle Club (now Association) created a Milk Department to assist with the marketing of Jersey milk. It also formed a standing committee of its Directors to address marketing issues and policy. This arrangement, a significant commitment of organizational resources, served Jersey breeders well until after World War II. Then, with the dramatic changes in dairy marketing associated with implementation of the Federal Milk Marketing Order system, Jersey leaders concluded that, by itself, the Jersey organization could not do enough to vigorously represent Jersey producers in this arena. Their solution was to create, fund, and staff an organization for the sole purpose of marketing milk—National All-Jersey Inc.

NAJ has pursued its mission to add value to Jersey milk and Jersey cattle in six different areas: market development, milk price regulation, information and education, policy issues, research, and industry relations. Each has been a priority according to the needs of Jersey breeders and prevailing market conditions.

Market Development. Creating and servicing markets that provide fair remuneration for the superior nutritional content of Jersey milk has always had precedence. Today's Equity program promotes multiple component pricing (MCP) to dairy product manufacturers, especially cheesemakers.

MCP payments to producers can be based on pounds of protein, pounds of butterfat, end product pricing, protein premiums, or protein differentials. All are market-oriented pricing systems, to varying degrees, and benefit both manufacturers and

producers. Collectively, Jersey milk producers have received tens of millions of dollars in added milk income through such programs.

NAJ also has marketing programs for Jersey milk and milk products: All-Jersey[®] and Queen of Quality[®]. These premium brand names boost sales by providing high-profile labels for a line of superior fluid milk products, other speciality products and also Jersey milk cheeses. Jersey producers supplying All-Jersey[®] franchises or adding the Queen of Quality[®] brand to their farm-produced products have prospered, and even expanded their operations.

NAJ works with members on individual marketing projects, such as fluid milk processing or cheese manufacturing. NAJ has also provided professional referrals, financial analysis, feasibility studies, and direct marketing assistance.

Milk Price Regulation. Milk is among the most strictly regulated agricultural commodities in this country; approximately 90% of U.S. milk production is government regulated. NAJ represents the interests and concerns of Jersey producers in this complicated arena. NAJ's most significant endeavor has been to promote adoption of multiple component pricing (MCP) in all Federal Milk Marketing Orders and state-regulated pricing systems.

Since the start of Project Equity in 1976, NAJ has been involved with every effort to move Federal Order and state milk pricing to a component basis. In the 1970s and 1980s, NAJ staff worked tirelessly to obtain individual state approval to allow protein pricing programs of any sort. Since those early days, multiple component pricing has expanded to cover 90% of all regulated milk pricing, due in great part to enabling language contained in the 1995 Farm Bill.

NAJ is still working to expand MCP to 100% of the milk market. As part of that goal, NAJ continues its efforts to improve the quality of consumer milk by advocating for higher protein and solids-not-fat standards for fluid milk products.

Policy Issues. From the Farm Bill to import quotas, governmental policies impact the dairy industry—and NAJ's membership. NAJ works to ensure equitable treatment for Jersey producers. NAJ staff evaluate the implications of many dairy policy directives, and takes action necessary to either support positive actions or correct improper ones.

Far from being simply reactive in the policy arena, NAJ staff work with federal and state legislators to promote favorable policies on multiple component pricing. An example of this was the 1995 Farm Bill, which contained language to expand multiple component pricing to most Federal Order markets. Those rules were implemented in January of 2000.

Research. The principle of equitable milk pricing is founded on establishing differences in the true value of milk in various consumer products. For this reason, NAJ has supported basic research on the qualities and manufacturing yields of Jersey milk. Validated research findings have been incorporated into pricing programs such as MCP.

Just as Jersey milk is different, so is the Jersey cow. NAJ has supported multi-faceted research on factors related to the efficiency and sustainability of Jersey milk production and has shared this information worldwide.

Information and Education. NAJ holds an extensive resource library on Jersey milk, multiple component pricing, and fluid milk standards and is known as the clearinghouse for information on these topics. This information has been shared not only with all segments of the milk industry, but also with government and university personnel.

This wealth of information has supported a number of educational efforts. National All-Jersey Inc. publishes a weekly market report and a bimonthly newsletter about milk marketing conditions, so Jersey producers can make informed decisions about their marketing options. In addition, milk marketing articles and occasional editorial commentary are

featured in the *Jersey Journal*. NAJ staff also fill a demanding schedule of public presentations at local, state, national, and international dairy meetings throughout the year.

Industry Relations. NAJ advocates collaboration among all segments of the dairy industry. It actively seeks working relationships with all major dairy organizations. The successful expansion of multiple component pricing into the majority of dairy markets best illustrates how NAJ works with industry partners to change the way the dairy industry does business.

NAJ staff also participate in special projects with industry partners, due to their expertise in milk pricing and milk component valuation.

In addition, the producer-members of NAJ forge and strengthen partnerships with the rest of the industry as they participate in their milk or supply cooperatives or on national committees and boards.

A Unified Voice For Equity in Milk Pricing

Though significant gains have been made to improve markets for Jersey producers, the future still holds challenges for the cause of equitable milk pricing.

Jersey milk is superior nutritionally and produces the highest manufacturing yields. But U.S. dairy policy and milk pricing decisions are based upon what is best for "average" milk. Regulators may not hear the concerns of Jersey producers unless we speak with a unified voice.

That voice is National All-Jersey Inc., recognized not only in the United States, but around the world for its contributions to the improvement of the dairy industry.