1-1-2016


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Please submit in duplicate.
Dairy, Democracy, & PR:

A Political Economic Analysis of Associated Milk Producers, Inc. 1988-1989

(TITLE)

BY

Anna L. Percival

THESIS

SUBMITTED IN PARTIAL FULFILLMENT OF THE REQUIREMENTS FOR THE DEGREE OF Master of Arts in Communication Studies

IN THE GRADUATE SCHOOL, EASTERN ILLINOIS UNIVERSITY

CHARLESTON, ILLINOIS

2016

YEAR

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2016

Dairy, Democracy, & PR:

A Political Economic Analysis of Associated Milk Producers, Inc. 1988-1989
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Abstract

This paper, using a political economic approach, explores the communication techniques used during a second-wave of consolidation in the dairy industry in the 1980s. After providing a historical context of the dairy industry and its connections with federal policy, this paper follows the story of a large dairy cooperative: Association Milk Producers, Inc. (AMPI) and how it influenced public policy and consumption through interconnected dairy organizations like the National Milk Producers Federation and by using a political action committee. This paper provides an example of Carey's (1997) treetops propaganda by way of the powerful political action committee C-TAPE and the AMPI women. The government influence in regulating the production and consumption of dairy dispels the myth of the free market.

Keywords: treetops propaganda, dairy industry, public relations, Associated Milk Producers, Inc.
Dedication Page

This thesis dedicated to the small dairy farmers in the United States who lost their herd in the Dairy Termination Program. Also, this is dedicated to Sheila and the late Mark Percival. Thank you for providing a Grade A family.
Acknowledgments

Dr. Molly Niesen: Thank you for your guidance and your intrigue with this topic. Your undergraduate and graduate courses at EIU played a pivotal role in shaping my research interests. Thank you for peaking my curiosity in our very political world.

Dr. Claudia Janssen Danyi and Dr. Samantha Szczur: Thank you for your guidance, feedback, and encouragement throughout this writing process.

My family: Thank you for listening and encouraging.

Marli, Cheyenne, and Robert: Thank you for being there for each step of this process. You provided a safe haven.

Becca, Kelly, and my CCH family: You had faith when I did not. For that, I thank you.

Danah, Roger, Elise, and Matthew: Thank you for giving me grace.

Connor, Bianca, Anna, and my classmates: You made it all worth it.
Table of Contents

Abstract ........................................................................................................................................ 3
Dedication Page .......................................................................................................................... 4
Acknowledgments ..................................................................................................................... 5
Introduction ............................................................................................................................... 7
Chapter 1: Public Relations, Public Policy, & Methodology .................................................... 11
Chapter 2: A Historical Context to the Dairy Industry and Government Policies ............ 17
Chapter 3: AMPI Battling in the Treetops .............................................................................. 23
Chapter 4: Creating Demand for Public at Large ................................................................. 40
Conclusion ............................................................................................................................... 47
Appendix ..................................................................................................................................... 50
References ................................................................................................................................... 51
Introduction

There is perhaps no other commodity as American as milk— from the milkman of the 1950s, to the tiny cartons that line the lunch tables in American public schools, to the famous slogans “milk does a body good” and “Got Milk?” Milk and its products have become staples of the American diet. Americans in 2015 consumed approximately 627 pounds of dairy products, translating to about 73 gallons of milk person (Wisconsin Milk Marketing Board, 2015). A single dairy cow produced an average of $3,854 worth of milk in the United States in 2016 (Progressive Dairyman, 2016). When we think of milk production we think of the small happy dairy farmer tending to his small herd. We think about big oil, big banks, and big pharma… but never “big milk.” But behind the unpretentious image of milk is one of the most powerful industries in the United States, which has consolidated rapidly after the 1960s, and milk producers are connected through cooperatives and industry associations.

The dairy industry is different from other markets because it is so intertwined with U.S. polices. In other words, the fate of the milk industry has not been determined by so-called “free market” forces. Rather, the U.S. government has again and again bolstered and bailed out the industry. The government has been involved at nearly step: establishing cooperatives through anti-trust loopholes, facilitating mergers in the 1980s, controlling supply, and setting minimum prices. As with any industry that is heavily influenced by public policy, the milk industry has engaged in public relations tactics to influence public opinion and the political agenda. Yet, little is known about these behind the scenes tactics, something this project hopes to elucidate.
Using a political economic approach, this project explores the communication techniques used during an important political battles that essentially determined the fate of the dairy: a second wave of consolidation in the 1980s. In the 1980s, members of the dairy industry bought-out their competition through government intervention. The decrease of competition opened up the need for advertisements to help create consumer demand. The policies moved in favor shifting dairying into larger producers, moving away from independent smaller family farms. Dairy cooperatives played an important part of the political process. According to Selitzer (as cited in Schmid, 2009, p. 205), the number of dairy farms decreased from 1990 to 2000 while the average number of cows in each dairy increased. The smaller farms declined while the remaining dairies grew in size. According to an article in Advertising Age, by 1990 the dairy industry was spending approximately $200 million dollars on advertising, promotions and research (Meyers, 1990). Somehow the industry was working to promote its products and that is what this paper seeks to examine.

This study is important because of the taxpayer dollars still spent on subsidizing the milk industry. An estimated $5.3 billion dollars have been spent on dairy program subsidies in the United States from 1995-2012 (EWG, 2012). The dairy industry is large, yet made of different cooperatives which work together for lobbying purposes and marketing power.

Additionally, this industry is most known for the “Got Milk?” campaign of the early 1990s, but not much has been explored regarding the dairy industry’s National Dairy Promotion and Research Board (NDB) or industry cooperatives battling for policy change. The NDB was initiated in 1984 to produce advertisements for the public in order
to create demand for their products (USDA, 2012; Dairy Management Inc.). While this board was formed a year prior to a second wave of industrial concentration, there has not been a public relations focus on what occurred during the midst of the policy changes. The NDB is comprised of a total of 38 members: 36 represent dairy producers from across the nation and two represent dairy importers (USDA, n.d.). The interconnectedness of the different agencies makes the board challenging and worthwhile to study.

In Chapter 1, I draw on political economic approaches to public relations in order to lay a groundwork and explain this paper’s methodology. The structural change of the dairy industry needs to be examined through a political economic methodology.

In Chapter 2, I provide a historical context of the dairy industry during the 1980s and the connections with federal policy. The influential Dairy Termination Program (DTP) set in place by the Food Security Act of 1985 is explained along with the nature of dairy cooperatives.

In Chapter 3, I follow the story of one of the largest dairy cooperatives, Associated Milk Producers, Inc (AMPI). This cooperative had a monthly trade publication called *Dairymen’s Digest*, in which the leadership of the cooperative communicated with members of the organization about marketing information and policy change. Each publication of the *Dairymen’s Digest* had a letter from the current President of AMPI to the members of the cooperative and a letter from the current manager. The very specific audience that was being addressed needed to be informed of the ongoing policy changes and how to help formulate the dairy policy.
In Chapter 4, I continue looking into publications from AMPI that provide examples of how AMPI and other dairy organizations were instilling programs to create consumer demand, all while looking to influence national policy.

To conclude, the dairy industry is a worthwhile subject to study during policy changes. The influence that dairy cooperatives, like AMPI, have on national legislation is important to note. The interconnectedness of the dairy promotion agencies provides an interesting perspective of how consumer demand is created.
Chapter 1: Public Relations, Public Policy, & Methodology

The political and structural shifts in the dairy industry are important factors to explore for understanding of the public relations techniques used by the dairy industry. To do this, a political economic approach is ideal. According to Mosco (2009), the political economy of communications is concerned with studying the power and social relationships that make up production, distribution, and consumption of resources. These social processes and power relations are the primary units of analysis for a political economy. Likewise, Pickard (2013) explains that political economy of media has two components: first, to assess how the media system supports or challenges power hierarchies and second, how the structures of these communication systems themselves support mechanisms like advertising and public relations.

Harvey (2005) also calls for understanding of the construction of political consent. Using Gramsci's notion of hegemony, the author claims that common sense can be "misleading, obfuscating or disguising real problems under cultural prejudices" (p. 39). Understanding neoliberalism is crucial to understanding the construction of political consent. Neoliberalism is defined as an ideological force; this ideology shifts the purpose of the state to protect the "free" market rather than protect the citizens (Wrenn, 2016). The ideology of neoliberalism requires political and economic construction of neoliberal market (Harvey, 2005). This neoliberal market shifts the focus from the company to the individual and increased consumerism. People are viewed as consumers of products rather than citizens. In this case, milk is a commodity to be bought and sold. The rise of neoliberalism in the 1970s, according to Harvey (2005) and Carey (1997), gave rise to more sophisticated public relations techniques in the decades that followed. During the
1980s, in the United States and the rest of the world, this new types of politics emerged. Thus, the years that preceded the rise of neoliberalism are important in terms of broader political changes and changes in the PR industry.

There are unanswered questions regarding this era of the milk industry. For example, how were larger dairy producers able to convince government officials, small dairy producers, and the public to support these polices? What PR tactics were used? What were the major interest groups or publics involved in these debates and what were the goals of each public? Looking at this information through a public relations perspective can inform our understanding of this topic. Public relations and marketing strategies can arise in response to governmental policy change and regulation. Here I will examine a few of them.

Australian sociologist Alex Carey (1997) argues that new, more sophisticated forms of public relations, emerged during the 1970s. One of those, “treetops propaganda” is not focused on the average public to change opinion, but at the influential members of society. The policy makers, newspaper editors, and economic reporters are the audiences these campaigns are targeting (Carey, 1997). The influential members of society, like policy makers, are connected to and can influence the neoliberal market.

Another common public relations tactic are the use of front groups. This is a group that appears to be formed out of public interest but they are actually funded and organized by corporate interests. Although these groups existed prior to the 1970s, they became more sophisticated during the 1970s. An example of this can be seen with the tobacco industry and the “Get Government Off Our Back” front group. Apollonio and Bero (2007) explain that a tobacco industry front group was created in response a
proposed regulation by the United States Food and Drug Administration and the Occupational Health and Safety Administration.

Another way to influence public perception, although not exclusively a public relations technique, is the use of interest groups. Etzioni (1988) provides an outline for and against interest groups. An interest group in a democratic government has potential to be viewed as functional, in that it contributes its individual part to a larger whole. The interest group can provide political representation higher than the electoral process. The larger the business, the larger the need for the interest group. Another positive aspect of an interest group is that it provides a channel of representation where the public can make their sentiments known. Third, the interest group provides a bridge between the administrative and legislative governmental branches. However, Etzioni (1988) continues to say all three of these points in favor of interest groups assume that democracy is built upon groups, not individuals. And that is also assuming that if the main interest groups are a part of the “bridging” process, a consensual policy can occur. Etzioni (1988) explains that interest groups were on the rise from the 1960s to the 1980s. Historically, interest groups have grown in power, and the union has deteriorated. This increases the threat that interest groups post on democracy. At the time of the book’s publication in 1988, the three largest dairy cooperatives in the United States each sponsored its own political action committee: Associated Milk Producers with C-TAPE (Committee for Thorough Agricultural Political Education); Dairymen, Inc. with SPACE (Special Political Agricultural Community Education); and Mid-America Dairymen with ADEPT (Agricultural and Dairy Educational Political Trust) (Etzioni). C-TAPE ranked as one of the strongest political action committees in agriculture and was one of the strongest

These public relations tactics often happen concurrently and are mutually beneficial. As previously mentioned, there are many public relations tactics that arise during policy change. Significant dairy policy change that occurred in the 1980s would have given opportunity for the dairy industry to shape some of the policies with refined PR tactics.

To understand the milk industry's use of public relations techniques, I analyze documents using a political economic approach. Lindlof and Taylor (2011) explain characteristics of documents. One is that official documents can be used as a way to study claims to "power, legitimacy, and reality" (p. 232). Another characteristic of studying documents is that they are a way of examining the communication events that are "encoded and preserved" (p. 232). Both of these characteristics will be important when looking at the public relations techniques used by the milk industry in response to policy change and thus the need to create more demand for milk products.

Lindlof and Taylor (2011) also address advantages to using documents. One advantage of a document is its information richness. Richness of information comes from the amount of information and the quality of the information. These documents are embedded in the context of the structural changes and will be able to add rich data to this
qualitative study. Another advantage is the availability. The availability of these documents will further prove to be an advantage with regards to this historical look at the industry’s messages. A third advantage is the nonreactivity of the document. The “physical integrity endures unchanged across time” (p. 237). With this historical analysis, the documents that I read from the dairy industry would not have changed from when they were first published. A fourth advantages is the truth value that the documents hold. The information within a document is “regarded as trustworthy by those who produce and read it” (p. 238). While truth is subjective in qualitative research, the documents can be used to examine how the “authoring entity views itself” (p. 239).

Apollonio and Bero’s (2007) examination of the internal documents of the tobacco industry have operationalized this methodology. The documents were web-accessible from Legacy Tobacco Documents Library, Tobacco Documents Online, and from other US tobacco companies. From there, the researchers were able to determine what groups were formed out of genuine public sentiment and what groups were formed with help from the tobacco industry. They began by using key words and snowballing after knowing contextual information such as relevant documents, individuals, and organizations. They ended up using 200 documents from a four-year time frame to “identify recurring themes and organizational strategies” (p. 420). While this articles’ methodology looks at internal, private organizational communication, the documents in this study examines organizational communication available to the public.

While the milk industry is a global market, the focus of this study is on the policy changes in the United States. My artifacts come from press clippings, including trade press publications and more mainstream magazine and newspaper articles. Wilkinson and
Merle (2013) define a trade journal as a publication that is meant to be read to professionals working within that specific industry or business. For the trade magazines and trade newsletters I examine should have been established or in publication prior to the Dairy Termination Program in 1985. The reason for the publication date is to see how the discourse progressed through the policy changes. I also look at government documents related to course cases, legislative hearings, and presidential papers.

The 2002 *Ulrich’s Periodical Directory* was used to find which publications to study. Trade industry periodicals that fit the previously mentioned criteria were examined for usefulness. From the preliminary research, *Dairymen’s Digest* published by the Associated Milk Producers, Inc. (AMPI) provided an interesting perspective from a large dairy cooperative’s perspective. Copies of *Dairymen’s Digest* were accessed through the University of Illinois Urbana-Champaign. *Dairymen’s Digest* was the centerpiece of AMPI communications, “updating members monthly on developments within their cooperative and the dairy industry” (“Progress,” 1989, p. 9) Annual AMPI Reports were distributed in the monthly magazine starting in 1984 (“Progress,” 1989, p. 9).
Chapter 2: A Historical Context to the Dairy Industry and Government Policies

Government subsidies for the milk industry began during the Great Depression to help even out the supply and the demand of the milk pricing (Kardashian, 2012). The Agricultural Marketing Agreement Act of 1937 was enacted to help set “minimum prices for fluid-grade milk” (Kardashian, 2012, p. 47). Excess milk and milk products were originally purchased by the federal government. The support prices were at a rate that encouraged to produce an excess of milk products which in turn required the federal government to purchase said excess (GAO, 1993). Price supports can be set in place if there is not enough of the product to meet the domestic consumption (Thompson, 1993). However, this was not the case in the United States. The United States had more milk than what the country consumed. Government intervention was needed to help control the price of milk. Price support needed to raise prices artificially by limiting production (Thompson, 1993). Interestingly, when the production is limited by the government, it creates an industry cartel, and then in turn, enforces it (Thompson, 1993). The government support prices were at a record high in 1980, according to the US General Accounting Office report (1993).

Farmers had banded together for sake of marketing power earlier than this maturing period of neoliberalism. According to Torgerson (1977) farmers’ cooperatives are “voluntarily owned business organizations controlled by their member patrons and operated for and by them on a nonprofit or cost basis” (p. 91). These large cooperatives were able to skirt antitrust laws that applied to other sectors of the economy because the Capper Volstead Act of 1922 had granted some exemption from antitrust laws for agricultural marketing cooperatives (Hanman & Blakeslee, 1981).
While dairy cooperatives had been in existence for many decades, cooperatives were much larger by the late 1960s. A first wave of dairy consolidation occurred in the 1960s when there was pressure for farmers to join a cooperative for marketing power (Kardashian, 2012). Between the 1967 and 1971, a number of smaller dairy cooperatives merged (Kardashian, 2012) and this meant more industrial concentration. By the late 1960s, three major dairy cooperatives existed in the United States. The small, local cooperatives were joining together to form large cooperatives. Cartel-like organizations were up and coming.

The first large dairy cooperative, the Associated Milk Producers, Inc. (AMPI), formed in 1967 (Kardashian, 2012). The other two of the three, Mid-America Dairymen (Mid-Am) and Dairymen Inc., formed in 1968 (Kardashian, 2012). From 1967-1971, "about 170 local cooperatives had merged into three organizations representing 64,000 farmers" (Kardashian, 2012, p. 196). Williams, Vose, Cook, and Manchester (1970) explained that during the time of their writing "dairy marketing cooperatives have come play an important role in bargaining for dairymen in the sale of fluid milk and some manufactured dairy products" (p. 261). The Capper Volstead Act essentially gave dairy farmers carte blanche join together and market their products.

The consolidation of the dairy industry led into other benefits. According to the USDA (as cited in Ward & Dixon, 1989, p. 731) the Dairy Production Stabilization Act of 1983, a national dairy promotional checkoff program also known as the Dairy Act, required dairy farmers to contribute 15 cents per hundredweight of fluid milk produced. The money was divided into two places. Five cents per hundredweight of the fluid milk produced went to the National Dairy Promotion and Research Board and up to 10 cents
went to "regional, state, or local dairy advertising and nutritional education programs" (Ward & Dixon, 1989, p. 731). The regional and state groups and the National Dairy Promotion and Research Board were to operate independently of one another (Ward & Dixon, 1989). A national television and print media campaign explaining the benefits of calcium and dairy produces was released from the NDB in 1985 (Jensen, Kesavan, & Johnson, 1992). By 1990, 23 percent of the money for milk advertisements came from the NDB. The formation of this program provided an opportunity for funded communication techniques to be enacted. The board is comprised of at least thirty-six dairy farmers; one of the powers of the board is to "promote the use of fluid milk and dairy products," "projects for research and nutrition education," and "make recommendation to the Secretary [of Agriculture]" (USDA, 2012). The cartel-like milk industry used its resources to create demand for its product and create legislative suggestions. The next two chapters will look more into this.

Around the same time as the creation of the NDB in the early to mid-1980s, the structure of the milk industry changed drastically. This was a second structural shift in the dairy industry. The Food Security Act of 1985 was set out to help the American farmer. The government spent $52 billion on the government farm price support program; this was $2 billion dollars over the proposed budget (Pub. Papers, 1525). The Food Security Act of 1985 was instated to "establish predictable long-term policies so that [the American] farmers would be able to make realistic plans for investment and production" (Pub. Papers, 1525, para. 3). Reagan stated that this bill was to "ease American agriculture away from the heavy hand of government and toward a more
market-oriented system” (Pub. Papers, 1525, para. 4). This bill shifted agricultural industry into more of a market economy at large.

Although in theory the Food Security Act of 1985 was meant to create less government involvement with other agricultural industries, government intervention in the dairy industry continued (Pub. Papers, 1525). Ironically, there was heavy government involvement in this free market for the milk industry. Reagan even referred to it as “counterproductive Government intervention in the dairy industry” (Pub. Papers, 1524, para. 9). This government intervention was to help control the milk prices by reducing supply. The cartel-like structure of the dairy industry was shifting in a way to influence the demand of milk.

Most importantly for the dairy industry, the Food Security Act of 1985 involved an 18-month dairy herd buyout program to reduce milk production in the United States (Kendall, 1985). This is also referred to as the Dairy Termination Program (DTP) (GOA, 1993). There was too much milk for what the country could purchase. The goal was to reduce the milk production by approximately 12 billion pounds over the course of the program (Kendall, 1986a). In order to reduce the production amount of milk, the dairy farmers were offered to leave the dairy industry. Leaving the dairy industry through the program had two requirements. The first was that the dairy farmers agreed to sell their cows for beef or export, and the second was to remain out of the dairy industry for the following five years (Kendall, 1985; GOA, 1993).

The DTP program was funded both by the government and by the remaining dairy farmers who did not partake in the offer. In 1985, a rate was set for the assessments to be paid to the leaving dairy farmers from the remaining dairy farmers (Kendall, 1985).
Approximately $1.8 billion dollars was to be spent on the program, with approximately 38 percent of that coming from the remaining dairy farmers (Kendall, 1986a). In other words, those dairy farmers who remained paid a set amount of money to help support the cost of those dairy farmers who left the industry. The U.S. government was essentially facilitating the "buying-out" of competition by larger dairy farmers. The DTP resulted in the reduction of 9 percent of the national dairy herd in 1985 (GAO, 1993), and further consolidation of the dairy industry ensued in the years that followed. For example, between 1987 and 2007, the number of dairy farms in the United States went from 202,000 to 70,000 farms (Gould, 2010).

The years surrounding the DTP represent a critical period in the dairy industry, because the public policies essentially allowed the industry to become more consolidated. The competition was literally bought-out by the remaining dairy farmers. This begs the question of what communication strategies were used after 1984 by the previously mentioned NDB and other regional, state, local dairy groups. The DTP was projected to help the government and consumers save money, $8.5 billion and $3.3 billion respectively, while costing the fluid milk producers around $2.3 billion (GAO, 1993). The $1.8 billion program had some major structural impacts: the DTP led to the smallest number of dairy herd in the United States (Kendall, 1987). The 18-month program went into effect on April 1, 1986 (Kendall, 1987).

Fourteen thousand dairy farmer’s bids were accepted to be a part of the buy-out; the pace of milk production was set by those still in the dairy industry (Kendall, 1987). There was fewer dairy herds in the United States, but production was not reduced, despite the person of the plan. Even with less people dairying, the average amount of milk a cow
produced rose to a record 13,293 over the 1985 average of 12,994 (Kendall, 1987). Cows were still producing too much milk, 14,000 dairy farms were out of the business for at least five years, and milk-producing cooperatives were becoming larger. Demand for the products needed to be increased.

In the next chapter, I will discuss one of the large cooperatives during this structural shift, American Milk Producers, Inc. AMPI supported the promotion goals of the NDB and sought to implement the goals within the cooperative (“Promotion Report,” 1988). Not only did AMPI support the NDB’s promotional goals, the cooperative played a large role in pro-milk producer national policy.
Chapter 3: AMPI Battling in the Treetops

As stated in the previous chapter, the government buy-out (DTP) sought to reduce production of US dairy, which essentially facilitated growth in large cooperatives. One of the largest cooperatives at the time and still at the time of this writing is Associated Milk Producers, Inc. (AMPI). This chapter will follow the story of this growing dairy cooperative during an election cycle following the enactment of the DTP. AMPI worked to influence legislation, with help of other milk organizations, in favor of milk producers and worked to influence the public’s perception of milk products in order to create a demand for milk. Members of this cooperative were involved in other milk-centered groups. Members of AMPI also served on the NDB and the United Dairy Industry Association Board (UDIA) (“Promotion Report,” 1988). The UDIA was also progressive in combining promotion efforts with the American Dairy Association, the National Dairy Council, and Dairy Research Inc. (“Promotion Report,” 1988).

Even though AMPI was a cooperative filed with members who produce milk, the cooperative was part of a larger, influential organization. AMPI is also a member cooperative of a larger organization that lobbies for national dairy legislation, the NMPF. The NMPF is an agricultural trade association which has had much success in the political arena, including being a part of the successful legislative establishment of the 1922 Capper-Volstead Act (“Connecting,” 2015). The Capper-Volstead Act was a way for farmers, through their cooperatives to “compete with giants in the food industry” (“Progress,” p. 16). This federation is made up of dairy cooperatives, like AMPI, and associate members (“About NMPF,” 2016). The cooperative members of the NMPF, like AMPI, partake in an annual meeting. The reports of this annual meeting were
communicated to members of AMPI through the monthly magazine, *Dairymen's Digest*, only a few months following the event.

National policy was a focus of the members of AMPI. Thus, the different committees and commissions that sought to influence national dairy policy were a concern of AMPI. For instance, the National Commission on Dairy Policy was closely followed by the leaders of AMPI (Elkin, 1988a). The Commission was formed under the 1985 Farm Bill and was supposed to make recommendations for the future of the dairy price support policy to the Secretary of Agriculture and Congress (Elkin, 1988a). The President of AMPI, Irvin Elkin, served on the Commission with seventeen other dairy farmers who represented the milk-producing regions in the United States (Elkin, 1988a). This group was formed to provide dairy policy guidance; the findings of this 18-member dairy farmer panel was to report to Congress in early 1988 (“Designing,” 1988). During the 1987-88 election cycle, long term dairy policy needed to be set in place by Congress. There was a push by dairy producers for long-term dairy policy that would address how the milk price support program operated, how the price support level was set, and if there was a need to manage the supply (Elkin, 1988).

With the President of AMPI, Elkin, on the Committee, the message was easily communicated to the members of this large cooperative that long-term dairy policy would be beneficial to the members. In 1988, all of the members of the House, one-third of the Senate, & the President’s position were up for election (Kasten, 1988). At the time, the Secretary of Agriculture was Richard E. Lyng (Kasten, 1988). This election season was going to be an important one. Milk producers were trying to determine their needs.
NMPF’s annual meeting held in late 1987 was trying to set goals of how to “Design the Future” (“Designing,” 1988). The president of the NMPF, James P. “Tom” Carnerlo, Jr., pushed for the federation to be more proactive about the future of the industry (“Designing,” 1988). For instance, the Carnelo stated that there are over 120 Congressional districts which do not have a dairy farm and the urban legislators need to be educated about the importance of the dairy programs (“Designing,” 1988). The dairy farmers needed to influence and educate Congressional legislators about the importance of dairy policy. NMPF’s member cooperatives, like AMPI, had a part to play in the call for influence and education.

Clyde Rutherford, the National Commission Chairman for the National Dairy Commission, stated issues that needed to be settled were the milk price support program, federal milk market orders, new technology, international, and the definition of the “family farm” (“Designing,” 1988).

More NMPF cooperative members were needed to step up to be a part of these large issues. AMPI was to continue to advertise to maintain and strengthen the image of the cooperative and bolster its membership. Radio advertising, print advertising, billboards, and milk truck displays were among the strategies used to promote the cooperative (“Promotion Report,” 1988).

The AMPI Corporate Board of Directors moved to take action. One resolution passed by AMPI delegates at the NMPF meeting was to build legislative support for “comprehensive national agricultural policy” (“Progress,” 1988, p. 15). The cooperative was to “work toward unification of agricultural interests in developing and promotion a farm policy that can reverse the current over-production and stabilize the agricultural
industry” (p. 15). The dairy-herd buyout was not enough to stabilize production, yet it helped to unite the dairy farmers nationally. The 1985 act worked unite the dairy industry from within (“Progress,” 1988). The government’s early attempt to limit the production was again seen as enforcing the cartel.

AMPI had some advantages of being involved with a national federation with resources to influence legislation, but the cooperative had some resources of its own – a successful political action committee called the Committee for Thorough Agricultural Political Education (C-TAPE). The dairy industry overall rewarded public representatives for their private service (Etzioni, 1988). C-TAPE’s purpose was to educate legislators, dairy farmers, and voters about the “necessity and economic value of cooperatives in the community, the state and in [the] country” (“Progress,” 1988, p. 16). This political action committee consisted of Chairman Clarence Wolf, Harold Jacobson, James Sternweis, Fred Bruegman, George Crosby and Larry Carter (“Annual report,” 1988).

AMPI President Elkin and General Manager Rutherford shared that C-TAPE planned to spend $1 million in the 1987-1988 election cycle for Federal candidates and committees that demonstrated an “understanding of dairy and agricultural issues” (Rutherford & Elkin, 1988, p. 5a). This comes after a successful year of C-TAPE advocacy.

The successful 1987 year included a letter-writing drive for AMPI members. The members were encouraged to contact their federal Senators and Representatives about the shortcomings with the price support cuts (“Annual report,” 1988). Even though the year previous was successful, there was room for improvement. This strong PAC did not have all of the cooperative working alongside. Less than half of the cooperatives membership
participated in the ongoing C-TAPE grassroots events ("Annual report", 1988). The average amount of investment per member was $70 annually ("Annual report", 1988).

Dairy farmers within AMPI were encouraged to join the commitment to "gain greater control over their own destinies and to improve their economic well-being" (Elkin, 1988b, p. 4). Dairy industry policy needed to include more business-like dairy programs (Elkin, 1988b). This is when the previously mentioned National Commission on Dairy Policy becomes important. The purpose of the Commission was to learn about dairying and the problems that were faced in the different dairy regions of the country through testimonies (Elkin, 1988b). There were ten public hearings which include testimonies of over 250 people and most of them were milk producers (Elkin, 1988b). Throughout the testimonies, the Commission found that there is a strong support for the price support programs that purchase surplus dairy products (Elkin, 1988b). The previous attempt to reduce dairy was not enough. The DTP was meant to be a temporary solution and the AMPI President called it too short to be effective (Elkin, 1988b). With no other solution, the dairy producers increased milk production to maintain a cash-flow (Elkin, 1988b). A supply-management approach that the AMPI President explained would be beneficial would be a two-tier price program. This would (1) "establish authority for a full participation program to be used when production builds towards excessive levels" (Elkin, 1988, p. 6). It would (2) make dairy farmers "responsible for price support program costs in excess of government program needs plus a reasonable reserve" (p. 6). The overall purpose would be to tailor the production needs specific to the market (Elkin, 1988b).
Approximately one-eighth of the milk marketed in the United States by April 1988 was produced on an AMPI member farm (Rutherford, 1988a). Other stats include one-sixth of the cheese produced, one-eighth of the butter, and one-fourth of the nonfat dry-milk (Rutherford, 1988a). The Commodity Credit Corporation provided AMPI and other cooperatives to sell their products to the government (Rutherford, 1988a). The AMPI manager believed that the government should not be the permanent solution to surplus, yet the Commodity Credit Corporation (CCC) is a government agency created to buy commodities at the support price (Thompson, 1993). The CCC does not displace the market demand or interfere with the domestic market price (Thompson, 1993). In the case of dairy products, the commodities purchased by the CCC are given away in school lunch programs and to low-income people (Thompson, 1993).

AMPI joined again with the NMPF for a grassroots campaign called STOP: Standing Together Opposing the Price Cut to influence legislation (Kasten, 1988). The purpose of the combined effort was to persuade Congress, the President, and the Secretary of Agriculture to put a milk buy-out program or milk diversion in place to better manage the national milk supply (Kasten, 1988). This was the preferred method that AMPI stood behind rather than the price cuts, which effect “dairy farm [family’s] livelihood” (Kasten, 1988, p. 7).

The strategy was to get the dairy farmers actively involved in this grassroots campaign. The dairy farmers were asked to write into members of Congress with personal stories (Kasten, 1988). These stories were to be written to campaigns up for re-election and their challengers (Kasten, 1988).
Regional Manager, Jim Kasten, wrote:

The current law provides an effective solution to the problem with authority to program milk production cuts. Your elected representatives need to be convinced that the situation is critical. A January 1989 price support cut needs to be avoided. We need to enlist their support to convince the Administration (1988, p. 7)

The attempt to prevent the 50 cent price cut continued with the AMPI Corporate Board on its side. The campaign was viewed by the Board as a “as a responsible and needed measure to help milk producers through the short-term failure. Your personal participation in the effort is needed” (Rutherford, 1988b, p. 5)

Ira Rutherford was also trying to reiterate to AMPI members that a price cut to milk did not give lower prices for the consumers. The 1987 farm prices for milk were below the price in 1981, yet the retail dairy prices were up in the same 1987 period (Rutherford, 1988b). If another 50 cent price cut were to be enacted, the farmers in 1989 would be living on wages from 1979, yet experiences the costs of 1989 (Rutherford, 1988b). Rutherford explained that approximately $750 million would be reduced out of farmer’s budget, which could cause more pressure to get out of farming (1988b). What was the solution for the dairy farmer’s at this point: to unify.

Dairy farmers were asked to be a part of this legislative fight. Petitions were to be circulated to friends, neighbors, business contacts, and other important people in the community (Rutherford, 1988b, p. 5). A “STOP-Standing Together Opposing the Price Cut” petition was included in the July issue of Dairymen’s Digest. This three columned paper had twenty spots for petitioners to sign their name, address, and the date. Three paragraphs explaining the price cut were at the top of the flyer. The first paragraph read:

We, the undersigned dairy farmers, neighbors and community residents, oppose another cut in dairy farmer income. We feel that another federal dairy price
support cut is unnecessarily punitive and threatens the economy of our community. (Rutherford, 1988b, p. 7).

Dairying women also took part in the legislation concern. The 1988 Farm Women’s Leadership Forum was held in Washington D.C. from June 1-4. The purpose of the event was to inform the women on agriculture issues and to teach them how to deal with the challenges faced. During this forum, the “STOP” campaign, diesel fuel taxes and pizza labeling were discussed (“Farm women,” 1988, p. 18). The Deputy Secretary of Agriculture, Peter Myers, opened the ceremony with a speech on his beliefs in the USDA and its role in agriculture. Topics that were likely to be included on the upcoming 1990 farm bill were spoken on (“Farm women,” 1988). There were special training sessions available as well on media relations, improving public appearances, and how to develop legislative strategy (“Farm women,” 1988). Over 100 women from across the nation attended the forum (“Farm women,” 1988).

The Leadership Forum had another purpose: to talk to legislators directly about farming legislation. Jim Elkin, a part of the AMPI corporate office, opened the forum by discussing the legislative issues that needed to be shared during the Congressional office visits. The women were then divided into groups to “make maximum contacts” (“Farm women,” 1988, p. 18). The women from the Midwest AMPI region that attended stopped to talk with their Senators and Representatives. Each of the Congressional offices that were stopped at were given a “Cheese Cow” gift as a small token of appreciation (“Farm women,” 1988). Later during the conference, there was another opportunity to visit with the elected officials during a congressional reception (“Farm women,” 1988).

The uncertainty of the weather is a concern for farmers, regardless of policy issues. During this STOP campaign, weather had a mind of its own and turned into a top
priority. Legislation for future matters had to pause to focus on immediate relief of a severe drought. During the summer of 1988, drought conditions existed in forty states (Lambert, 2013). For instance, in Chicago, there was a new official heat benchmark with 47 days being 90 degrees Fahrenheit or higher (Skilling, 2006). The drought began in April and lasted through June of 1988 (NASA, n.d.). The nation's corn crop was severely affected, leading to losses over $10 billion dollars. (Schneider, 1993). The dairy price support program had emergency drought relief legislation enacted by Congress to increase the price support program by 50 cent per hundred-weight; this emergency relief was to take place on April 1 to June 30, 1989 (Rutherford, 1988c). The 50-cent price cut that was going to be put into place on January 1, 1989 was eliminated (Rutherford, 1988c). It seems that the legislative matter that the AMPI cooperative was adamant about was taken care of with the emergency circumstances addressed. Feed prices had increased due to the drought, making the milk production costs projected to rise significantly (Rutherford, 1988c). Feed for average dairy farm of 60 cows was estimated to cost $15,000 to $20,000 more the next year (Rutherford, 1988c).

The drought relief legislation, which eliminated the price support cut and added extra legislation to help cover the costs of the expensive feed, was also going to help the AMPI members (Elkin, 1988c). C-TAPE helped advocate for the dairy farmers. Consequently, the support increase towards AMPI members was approximately $100 million, which was about $4,600 extra per member farm (Elkin, 1988c). The battle for brought legislation provided clout for C-TAPE to get ready for the next election. AMPI President expressed that

"C-TAPE is projected to spend over $1 million during the 1988 election cycle supporting Federal candidates who demonstrate commitment to dairy and
agricultural issues. This is a big step in seeing that farm and dairy issues be a significant part of the campaign dialogue" (Elkin, 1988c, p. 7).

C-TAPE continued to work on larger issues, especially with getting farmers involved in the political process. The general elections were important for dairy legislation. A C-TAPE campaign called “Get-Out-The-Vote” was targeted to farmers to reiterate the importance of working in November’s general elections (Elkin, 1988c). C-TAPE served as a way for AMPI members to “get their point of view across in Washington, D.C.” that could not be done individually, especially in the Congressional districts where there is little to no milk production (Elkin, 1988c). “Never before have the decisions made in Washington, D.C. meant so much to the dairy farmer’s economic future” (Elkin, 1988, p. 8).

1989

The 1988 elections resulted in Republican George Bush as President and Democrats controlling Congress (Rutherford, 1989a). AMPI was foreshadowing there would be legislative disputes saying there is too much money spent on the dairy industry. The pre-emptive decision was to be unified before the disputes arose. AMPI’s focus was to be on emphasizing the need to include supply-management as a part of long-term dairy policy (Rutherford, 1989a). This two-tier structure that was discussed earlier would provide a limit on government costs and be fair to producers in all regions. The National Commission on Dairy Policy supported this supply-management position (Rutherford, 1989a). The support of the Commission meant that suggestions benefiting AMPI would be communicated to the Secretary of Agriculture.

AMPI President Ira Rutherford stated:
“It will take a united dairy industry to turn back such challenges and forge sound policy. Passage of the dairy provisions of last year’s emergency drought relief legislation demonstrated the success that is possible when milk producers across the country work together” (1989a, p. 5).

The dairy industry had shown Congress how the people are able to band together under a common issue. The STOP campaign garnered over 100,000 signatures (“Work together,” 1989). In his opening statement of the 72nd National Milk Producers Federation meeting, CEO Jim Barr stated that the success of the STOP campaign needed to be continued into the next debate on agriculture policy (“Work together,” 1989). The NMPF previous method of joining cooperatives together had worked.

President Tom Camerlo’s main priorities was for the NMPF to ensure that the Dairy Price Support Program stayed as a national policy and provided stabilization (“Work together,” 1989). Also that there needed to be more attention to the Federal and State Milk Marketing Order Program and Component Pricing issues (“Work together,” 1989). Other issues were regulatory issues, monitoring of the US’s Import and Export Policy, and greater emphasis on NMPF membership (“Work together,” 1989).

Barr’s suggestion on these goals was to propose an education and lobbying effort. This would make dairy farmers and dairy cooperatives understand and support the price support and federal marketing order programs (“Work together,” 1989). The first goal was education. Barr continued that solving the internal challenges of misunderstanding would be a good first step in solving the external challenges (“Work together,” 1989). The purpose of having a national trade association, like NMPF, was to reach a consensus on national policy, yet resolving the policy differences was the responsibility of each of the member cooperatives (“Work together,” 1989). AMPI was to continue to work with
the NMPF in a democratic way ("Progress," 1989). The purpose of this was to come up
with changes that would be the most beneficial to the dairy industry. AMPI placed a “top
priority” on communication such as magazines, new releases, newsletters, and bulletins.
These methods were targeted at “grass-roots, industry, and national levels” to solve the

The second goal was a “strong grassroots network” to help the farmers be a part
of the legislative process ("Work together, 1989, p. 11). The third goal was to improve
the public image of the dairy industry. Barr explained that there is a negative connotation
with the word “surplus” when compared to wheat and corn “reserves” ("Work together,
1989, p. 11). Another misconception that Barr wanted addressed was the thought that a
price cut would work instantly to shut off or turn on production ("Work together," 1989).
The STOP campaign was used as an indicator of how well the dairy industry can do if
they bond together.

The NMPF annual meeting also had Congressional speakers participate. Leon E.
Panetta (D-CA) stated how it is essential that the dairy farmers need to have a common
position ("Unity," 1989). Congressman Steve Gunderson (R-WI), addressed that
regionalism has been the major obstacle for dairy policy ("Unity," 1989). Two main
issues arose – the federal dairy program needs to been the needs of the modern industry
and national consensus is needed on dairy policy, yet regionalism begs to differ ("Unity,
1989).

The food distribution system in the United States also posed some challenges for
the industry. The food distribution industry was changing, which had implications for the
cooperatives like AMPI. Regional Manager Jim Kasten explained a few implications.
The first is mergers of food distributors. Mergers are food distributors are covering more food markets with fewer companies, like Kraft-Philip Morris (Kasten, 1989a).

The second is that financial companies are replacing the "old line dairy companies" as holder of the assets. From 1979 to 1989, the US bottling firms had declined by 50 percent (Kasten, 1989a). The third is the closing of a major national dairy firm's bottling plants and cultured and ice cream plants. These plants were to be replaced with "hyper plants" (Kasten, 1989a).

The fourth is the incoming popularity of superstores. The ownership, once again, is consolidated. It was a struggle of retailers over manufacturers: "The food retailers are gaining power over food manufacturers and exercising that power in allocating shelf space, forcing costs of buying shelf space higher" (Kasten, 1989a, p. 7). The fifth is the rapid growth and consolidation of the food service industry, like fast foods. The sixth is the expansion of the food ingredient sector, which develops "fabricated foods" for consumer's convenience, like imitation dairy (Kasten, 1989a). The seventh is the large brand name companies dominating the cheese processing sector.

Overall, these techniques put pressure on the dairy industry to gain returns from the marketing of the dairy foods. Kasten explained that the identity and value of the dairy industry is at stake as the fabricated foods market expands (1989a).

He challenged the members of AMPI to --

"not lose sight of our original charter, which is to provide individual dairy farmers market power through pooling the supply and financial resources. This will have to be strengthened to counter the growing economic power held by the major food marketing firms" (1989a, p. 7).

The political action committee, C-TAPE, was being utilized to fight for unity in Washington, D.C. Although, stronger membership was needed. AMPI members were
encouraged to participate in the C-TAPE program. The goal was to reach as close to 100 percent involvement as possible ("Progress, 1989). While C-TAPE was one of the strongest PACs in the nation, two different efforts were being made to make the PAC stronger: sign up more AMPI members into the program and increase the involvement of the already enrolled members ("Progress," 1989). As of June 30, 1989, C-TAPE was ranked number one in the Federal Election Commission's list of cooperatives of those with cash hand with an enormous $1,237,606. The second highest PAC only had a mere $129,878 in cash on hand (FEC, 1989).

In addition to C-TAPE, AMPI members had a strong participation in governmental processes. Members actively contact members of Congress on legislative issues, testify before Congressional committees, work in campaigns, and actively vote ("Progress," 1989). The administrative involvement in AMPI was not just encouraged at a governmental level. AMPI members were encouraged to hold an office within the AMPI to better promote the cooperative ("Progress," 1989).

The cooperative continued to strengthen itself with AMPI Women. With the 1989 resolutions, AMPI women was considered for more work in Washington, D.C. ("Progress," 1989) AMPI Women already are involved in legislation, promotion, and consumer area, but there was more for them to do in Washington, D.C.

The year 1989 gave way to the next Farm Bill debate. AMPI addressed its members by saying that the dairy industry needs to have a consensus internally before it moves forward with Congressional action ("Tomorrow," 1989). As with previous discussion in *Dairymen's Digest*, farm income needed to be improved. Fewer farm and
larger farms were part of the result of the "cost-price squeeze of the 1980's"

The National Commission on Dairy Policy report outlined future dairy policy
(“Tomorrow,” 1989). All 18 dairy farmers on the Commission presented a unified
proposal for future changes. This was significant because it was the first time the dairy
industry was united on policy in over a decade (“Tomorrow,” 1989).

An economist wrote his opinion on the structure of the dairy industry. Economist
Donald Chafin believed and advocated that the agricultural industry should not be free­
market. Farmers have no control over the prices of their products (Chafin, 1989). The
harder the farmer works on production, the lower the market costs falls without help with
demand (Chafin, 1989). Farmers are not able to control the weather, so they need the
government intervention to help regulate the supply. For instance, the unexpected
drought of 1988 used the previously negatively viewed surpluses of 1987 (Chafin, 1989).

AMPI appeared to not waste any opportunities with meetings in order to
communicate with US Senators and Representatives. The May meeting of the Corporate
Board was held in Washington, D.C. The board was able to meet with around 250
members of Congress (Elkin, 1989a). AMPI did not come underprepared. At their
previous 20th Annual Meeting in San Antonio, AMPI had developed a 1989 Legislative
Guide. This guide summarized AMPI's views on 19 different issues that needed to be
clearly communicated with Congress (Elkin, 1989a). The main concern is that farm
income needs to be improved with the 1990 Farm Bill (Elkin, 1989a). The two-tier price
support that was previously mentioned in this writing was the suggestion that AMPI
continued to push. This program were to place an absolute limit on the government costs.
The dairy farmers would be the ones responsible for the excess price support program costs; the milk producers' would did not reduce production would be carrying the financial burden (Elkin, 1989a). Those not helping to reduce production would have financial consequences. President Elkin said that the “Board and Management continue to aggressively pursue opportunities to build support for these positions” (1989a, p. 8).

According to Ira Rutherford, the Corporate Manager of AMPI, building relationships rather than discussing specific issues was the main purpose of the visit to Washington, D.C. (“Visit,” 1989). AMPI was able to tell members of Congress who and what AMPI is and to say thank you for past voting by giving out Honor Roll milk cans, a token of appreciation from AMPI (“Visit,” 1989). Also, the AMPI Board and staff members distributed copies of the AMPI 1989 Legislative Guide to all the 250 Congressional offices they visited (“Visit,” 1989). The Guide included an introduction to national dairy policy, a summary of the National Commission on Dairy Policy, and explains 1989 Priority Action Areas. Assistant to the AMPI Corporate Manager, Sam Stone, explained that guide had been done for many years and was well received (“Visit,” 1989). This 1989 trip to D.C. was most likely the fifth time for the Corporate Board to distribute a Legislative Guide (“Visit,” 1989). There are certain objectives that AMPI wanted with the new Farm Bill. The main objectives were the improvement of farm income and the change of the supply-management authority (Elkin, 1989b). AMPI worked within NMPF to promote these pro-producer positions on the Farm Bill (Elkin, 1989b).

AMPI women also hosted a writing contest for AMPI member. The “Speak Out, Be Heard” contest encouraged members to voice their concerns to legislators
(“Attention”, 1989). Each month had a different suggested topic. August in 1989 was about livestock medication in the food chain. September was about rural health and safety. Object was about supporting the cooperative during cooperative month. The members were encouraged to save their responses from legislators and then send them to the local AMPI Woman president to be used in the contest (“Attention,” 1989). The winners were to be awarded at the Women’s Annual Meeting to the district which had the most returned letters (“Attention,” 1989).

This chapter looked into some of the way that AMPI along with NMPF coordinated campaigns to target legislators during election cycles. While the focus on legislation and policy change was important, milk producers, like AMPI, had to focus on how to communicate a need for demand to the consumers. The next chapter looks into how AMPI and NDB focused on creating demand for the public.
Chapter 4: Creating Demand for Public at Large

While policy change battles ensued, AMPI was also trying to communicate the need for demand to the public about milk and milk consumption with the help of other dairy organizations. This is when dairy promotion for consumers becomes intertwined within different cooperatives and agencies. Rather than one cooperative, like AMPI, trying to create demand for AMPI produced products, the NDB provided a way for advertising and promotion to be coordinated. AMPI supported full participation in the NDB ("Resolutions," 1989). The NDB coordinated with promotional efforts on cooperative, state, and regional levels to come up with production promotion efforts ("Promotion," 1988). The UDIA and the NDB work together on advertisements to avoid duplication ("Resolutions," 1989). This makes it seem like there is a consolidation of advertising efforts as there is consolidation of the legislative efforts. The idea of having "one organization with one board and one CEO and staff to coordinate and manage dairy promotion efforts at the national level" ("Resolutions," 1989, p. 13). AMPI was to continue to find membership on the boards that govern the operations. There were AMPI members on the NDB and the UDIA board ("Resolution," 1989). A report by Advertising Age Magazine ranked dairy farmers 53rd in 1988 for advertising expenditures ("Rank," 1989). A total of $161.4 million was spent to promote milk and milk products ("Rank," 1989). AMPI took its part in helping promote the industry to the public. Some of the attempts were not successful.

One way the milk producers attempted to promote the industry battled the consumer's desire to eat less fat and those who were lactose intolerant. The American public's decrease of consumption in low-fat foods was a challenge faced by the dairy
industry, especially the sales of butterfat and milk solids-not-fat ("Promotion Report," 1988). Rather than change the product produced, milk producers wanted to change the way it was advertised. Dairy production promotion programs were to promote whole milk at 96% fat free ("Promotion Report," 1988). This way of advertising the milk was short-lived. The advertising restrictions set in place by the Federal Trade Commission were unsuccessfully changed; whole milk could not be advertised as 96% fat free ("Promotion Report," 1988). Even though the attempt to advertise the food as 96% fat free did not happen, AMPI took part in a different promotion initiative set in place by the United Dairy Industry Association (UDIA). UDIA is another federation of promotion organizations funded by dairy producers ("United Dairy," n.d.).

The National Dairy Council stated that lactose intolerance could be controlled by managing the diet ("Battling," 1989). Approximately 20% of Americans are unable to digest lactose ("Battling," 1989). The NDC felt strongly that the “avoidance of dairy foods can jeopardize eating a balanced diet, and, in turn, jeopardize good health” ("Battling," 1989, p. 10). Recommendations were to eat dairy foods in small and frequent servings, to eat dairy foods that slowly digest, don’t eat dairy products by themselves, and gradually increasing lactose foods over time ("Battling," 1989). The Council had put out a brochure entitled “Getting Along with Milk: For People with Lactose Intolerance” as a way to educate the public about diet ("Battling," 1989).

The use of milk to prevent osteoporosis became another issue and avenue to promote milk products. AMPI supported the programs that explained milk as a primary source of calcium (p. 15). This seems to be foreshadowing to the Got Milk? campaign of the 1990s. USDA Researchers in New Orleans were coming up with creative ways to use
the surplus powered milk ("Carbonated," 1989). Their answer: carbonated dairy milk. This appears to be an answer from the dairy industry with how to compete with soda markets and use surplus powdered milk. This dairy soda would have vitamins and calcium, unlike sugary sodas ("Carbonated," 1989). The dairy industry was second to the condiment industry on the amount of new products introduced. The new products being introduced had a boom due in part to the FDA’s 1988 approval of using NutraSweet in refrigerated yogurt ("Debuts," 1989). The industry knew that it would not be able to survive without some new products: “one way to increase dairy production consumption is through new product development,” ("Debuts," 1989, p. 27). Even though new products were being introduced, the dairy did not expect for all of the products to last due to the shortage of in-store space.

A second way milk producers tried to promote milk products was by tackling the consumption of imitation dairy products. The UDIA had created a “real” symbol to promote the use of food products made with real dairy rather than imitation ("Promotion Report," 1988). Consumers were being bombarded with food products marketed as though they were dairy products. AMPI products showcased the “real” emblem whenever possible ("Promotion Report," 1988). AMPI’s dedication to serving real dairy products took place even during their meetings. Dairy substitutes were not even to be served at AMPI meetings. AMPI also was to encourage the NMPF to monitor food, like margarine products, that it not be falsely advertised as dairy products; violations are reported to the FDA, FTC, and USDA ("Promotion Report," 1988).

Milk producers were working together to battle imitation products. AMPI used the power that they had: policy influence. The fight for the use of genuine dairy products
was also a legislative issue that AMPI took on: “AMPI will continue to oppose through legislation and other means, the unfair infringement on dairy product markets of imitation products through such consumer deception as misleading labels, packages or display practices” (“Resolutions,” 1989, p. 13). AMPI needed the help of the NMPF to make sure that the food companies were not falsely advertising imitation dairy products (“Resolutions,” 1989). At a time when dairy products were in excess, the fight to be recognized as a producer of a quality product ensued. Another continued concern of AMPI was the ambiguity of imitation cheese in the grocery store. AMPI also continued to push for legislation that required frozen pizzas to disclose if the food contained substitute or imitation cheese (Elkin, 1988b). The FTC was needed as well. Action was needed in issues with margarine being presented as butter (“Resolutions,” 1989). The legislators and consumers of imitation dairy were not the only target audiences of the industry.

A third group milk producers tried to influence was the medical community. The American Medical Association was brought to the attention of the AMPI members. Details about the promotion report from the annual NMPF meeting explained that medical studies regarding diet, cholesterol, and heart disease were not conclusive from milk producer’s perspective (“Promotion Report,” 1988). The NMPF minutes resolved to have a dialogue with the American Medical Association and that the UDIA attempt to implement nutritional curriculums in medical schools (“Promotion Report,” 1988). The National Dairy Council (NDC) was to supply “a list of speakers for medical school curriculums. These speakers [were to] develop material on nutrition, dairy researching involving diet and health, and information regarding materials available for medical
school use in ... teaching programs” (“Promotion Report,” 1988, p. 17). Dairy promotion groups tried to infuse the American Medical Association with their own information about health and nutrition that promoted dairy. Additionally, AMPI worked to influence practicing medical professionals. Material was distributed in doctor’s offices to address people’s beliefs of the harm of dairy products (“Promotion Report,” 1988). Influencing the leaders of the medical community was a goal. Even in 1989, The American Medical Association was being contacted by the National Dairy Council (through the encouragement of AMPI) to implement curriculum in medical schools (“Resolutions,” 1989). The purpose was to dissipate information about the value of dairy in the American diet (“Resolutions,” 1989).

A fourth group was school-aged children. The food distribution programs served as a way to provide an outlet for the excess milk products produced, as previously mentioned in Chapter 3. AMPI supported the domestic food distribution programs. These food programs helped supply milk to school children and to members of the armed forces (“Promotion Report,” 1988). This was seen as a way to help improve the nutritional well-being of the children of the United States. The distribution of milk to the armed forces was a way to help with overall nutrition as well (“Promotion Report,” 1988). More specifically, the School Lunch and Special Milk Program were supported by AMPI. These programs served as a way to help provide an outlet for the excess, but the programs doubled as another avenue to promote the dairy industry and the consumption of milk products. AMPI members were called to monitor their local community school districts to ensure and encourage that whole milk, chocolate milk, cheese, and butter were in school lunch programs (“Promotion Report,” 1988). The extension of the program to
kindergarten children was needed, especially if the kindergarten children were not in session during a regularly scheduled daily meal ("Promotion Report," 1988). The integrity of the programs, to AMPI, rested upon the use of genuine dairy ("Resolutions," 1989). This program appeared to serve as a way to encourage people from a young age to make milk a regular part of their diet.

For young people to consume the surplus product was not enough. As an organization, AMPI also monetarily encouraged the NDC to teach nutritional value of dairy in schools. The members of AMPI gave a 15 cent investment to contribute more funds to the education of the value of dairy to schools within AMPI territory ("Resolutions," 1989). Another regional promotion board, Wisconsin Milk Marketing Board (WMMB) funded a nation-wide agricultural marketing curriculum that emphasizes milk and dairy products. The purpose was to provide dairy industry leaders with knowledge about dairy production promotion, marketing, pricing and advertising ("WMMB," 1989). This program was supervised by the Wisconsin Department of Public Instruction through the National FFA Foundation ("WMMB," 1989). This curriculum program will play a large role in education. About 500,000 students in over 8,000 high schools throughout the nation were to be educated by this curriculum ("WMMB," 1989). Milk producers were trying to implement educational materials for students at a national level.

Vending machines in schools were seen as another avenue for milk marketing. AMPI encouraged school organizations to support the use of dairy products in vending machines in schools ("Promotion Report," 1988). Milk promotion at athletic and other public events was also encouraged by AMPI ("Promotion Report," 1988). The
cooperative encouraged the promotion of sale of milk and milk products at public events, including athletic games ("Resolutions," 1989).

Dairy promotion was not done simply by one cooperative or one promotional agency. These agencies coordinated and streamlined promotion plans in a way to create more consumer demand. AMPI had the financial power and ability to fight battles legislatively but needed to be a part of the national promotion process with the NDB, NDC, and UDIA.
Conclusion

The dairy industry is an important industry worth examining as it has been at the forefront of important political shifts and debates that occurred during a pivotal period in the history of U.S. public relations as well as broader changes within the U.S. political economy. The focus on the communication techniques used from the late 1980s to the early 1990s is important because of substantial decrease in competition occurred in 1985 following government policies that abetted a series of industry mergers and acquisitions. This study is an example of how larger industries react, engage, and influence public policy.

Dairy farmers were the subjects of industry consolidation, allowing opportunity for farms to become larger and have more share of the market. Changes within the U.S. dairy industry coincided with broader changes in the U.S. politics. Ronald Reagan’s vision for American during the 1980s was for government to step aside to leave the “free market” alone. The dairy industry was not left alone; the dairy industry became more entangled in government intervention. The political economy of the milk industry dispels the free market myth. The federal government had intervened by way of the DTP to help decrease production of fluid milk to even-out the market.

This paper provided examples of how members of dairy cooperatives were able to band together and influence politics in Washington. While the cooperative was working to create demand of milk products in the consumer sphere, the organization of dairy farmers were influencing the creation of policies that helped its power to do so. Treetops propaganda techniques were used to influence politicians to vote in pro-milk producer ways. A primary way that AMPI was able to influence legislators was through
its use of interest groups. Legislators “uneducated” in dairy policies and problems were the focus of C-TAPE campaigns. Pro-dairy information was hand-delivered to the politicians in Washington. The AMPI Women also worked to influence members in Washington with added charm and understanding. AMPI’s political action committee C-TAPE continued to have success in the election of candidates. During the 1992 election cycle, about 88% of the congressional candidates supported by C-TAPE were successful in winning their positions (Orr, 1992).

Studying AMPI provided a way to see how a cooperative functioned along with other pro-dairy producer organizations. The milk producers were able to gain control of more of the market by buying-out their competition through the DTP and thus consolidating the industry. This paper is important because it focused-in on one of these large cooperatives and how it influenced Washington politics. Through this investigation of AMPI, it was found how AMPI was not alone in its Washington campaigns. AMPI was a member cooperative of the NMPF, which consisted of other member cooperatives working to lobby for national dairy legislation. This means that national programs, like the School Lunch and Special Milk Program, was not an AMPI issue, but a dairy issue.

This paper also provided examples of how the dairy industry promotional boards worked together to create consumer demand. This paper did not investigate simply one organization working to make its’ products stand out above the crowd. Milk, produced and marketed throughout the entire United States, was under scrutiny. The organization of this effort to create consumer demand was interconnected and complex. The promotional boards had become consolidated in an effort to more effectively influence the public perception of milk consumption, especially because there were
questions arising if milk was as important to the American diet as the public had all been led to believe. Avoiding dairy foods, according to the NDC, would jeopardize a person’s health ("Battling," 1989). Diets had changed to consume less fat, so milk needed to be able to fit that dietary need. The dairy promotion boards were working to influence some legitimacy claims with regards to dietary choices and lactose intolerance. Marketing milk to children started early during kindergarten as a snack and continued the influence in schools through implemented curriculum. Dairy consumption was encouraged early in American children’s lives. This brings to mind a cradle-to-grave marketing idea: introduce milk in kindergarten and make sure it stays throughout their educational experience. The ways that milk consumption was targeted during the consolidation of the industry in the 1980s is important for scholars today.

Eventually in 1995, the NDB and the UDIA combined to coordinate national and local dairy promotion programs; this group was called Dairy Management, Inc. ("History"). Dairy Management, Inc. is still functioning as a powerful, centralized dairy promotion agency at the time of this writing. The idea of a free market still permeates the political atmosphere. However, this paper provides a case study showing otherwise.
### Appendix

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<tr>
<th>Acronym</th>
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| AMPI    | Associated Milk Producers, Inc.  
*One of the largest dairy producer cooperatives in the United States* |
| CCC     | Commodity Credit Corporation  
*Government agency to buy products at support prices* |
| C-TAPE  | Committee for Thorough Agricultural Political Education  
*AMPI's political action committee* |
| DTP     | Dairy Termination Program  
*A federal buy-out program to attempt to reduce US dairy production* |
| FTC     | Federal Trade Commission |
| NDB     | National Dairy Promotion & Research Board  
*Federal policy initiated in 1984 to produce advertisements to create demand for milk products* |
| NDC     | National Dairy Council |
| NMPF    | National Milk Producers Federation  
*An agricultural trade association that lobbies for national dairy legislation. AMPI is a member.* |
| UDIA    | United Dairy Industry Association  
*Another dairy promotion organization* |
| USDA    | United States Department of Agriculture |
| WMMB    | Wisconsin Milk Marketing Board |
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