

according to the international principles of co-ops. With a track record of price manipulation and driving farm prices down for farmers, Land O'Lakes and DFA have hurt their members more than served them.

ANIMAL AND HUMAN HEALTH ISSUES

FACTORY FARMS averaging over 1,000 cows, usually in confinement and subject to inhumane conditions, are now the source of over 50% of our dairy products. To boost milk production, a common practice is to inject cows with **rGBH (Bovine Growth Hormone)**. Growing public awareness of this practice as having negative effects on animal and human health has caused many companies to stop using the hormone. Land O' Lakes has taken this route – however, they still may encourage their farmers to use other synthetic hormones.

HERD RETIREMENT is the euphemistic title of a program that Land O'Lakes and other dairy giants have instituted as another way to fix prices. To control production, between 2003 and 2010 **more than 500,000 dairy cows were slaughtered**. In 2011, a federal lawsuit was filed against Cooperatives Working Together, a dairy conglomerate of which Land O'Lakes is a member, stating that "herd retirement" violates anti-trust laws.

Sources for all statistics available on request.



FAMILY FARM DEFENDERS

P.O Box 1772

Madison, Wisconsin 53701

(608) 260-0900

familyfarmdefenders@yahoo.com

www.familyfarmdefenders.org

ISSUES FACING FAMILY FARMERS:



FOCUS ON US DAIRY INDUSTRY

WHERE HAVE ALL THE FARMERS GONE?

Small and mid-sized dairy farms are disappearing. **NATIONWIDE**, the number of dairy farms has fallen from over **640,000** in 1970 to **60,000** today. Farmers cannot sustain their operations when they do not earn enough to cover costs of production.

Many farmers have lost their income, land, and livelihood as a result of the control corporations hold over agriculture.

LIVING WAGE FOR DAIRY FARMERS

A farmer gets roughly **\$2 for every \$4.69 gallon** of milk. The other \$2.69 goes to buyers, processors, and middlemen in the dairy industry, and retailers--like Wal-Mart.

Chronically low and volatile prices cause family farmers to sell their milk for less than what it is necessary to maintain a farm family (i.e. feed for animals, machinery maintenance and general family expenses, like buying school supplies and groceries). For example, for months in 2009, farmers received \$10 per hundred pounds of milk they sold, while the **BARE MINIMUM** to cover production costs was between \$20 and \$25 per hundred pounds.

Despite a recent upsurge in prices, extreme fluctuations leave family farmers unable to bear the brunt of change.



CORPORATE MONOPOLY

When so few companies control so much of a market, it's called MONOPOLY (remember the game?). Monopoly control means farmers don't have options over where to sell their milk or what kind of price they can get – for example-giant food processors like Dean Foods and corporate-style cooperatives like Land-o-Lakes and Dairy Farmers of America have routinely been found guilty of manipulating prices.

The lawsuits claimed that these companies conspired to make artificially low prices to dairy farmers while charging artificially high prices to consumers. The CEO of received \$156 million in compensation in the last decade, Dean Foods and the head of Dairy Farmers of America made \$31.6 million in the seven years.

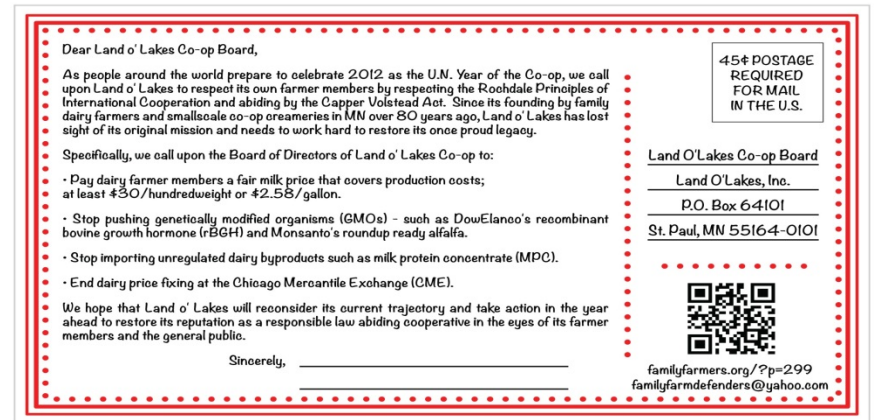
Just four players control **40%** of the milk market in the US. Two of these are coops: **Land O'Lakes and Dairy Farmers of America**. Coops are supposed to advocate on behalf of their farmer members for better prices. **Instead Land O'Lakes and DFA have driven DOWN the prices farmers get for their milk.**

Price fluctuations do not arise from the so-called "free market," but from corporate collusion and financial speculation.

The government bases its formula for the price of milk on the price of a 40 lb. block of cheddar cheese traded at the **CHICAGO MERCANTILE EXCHANGE**. The trades take place between a small number of companies and cooperatives that hold or sell the cheese at strategic moments, in order to manipulate the price.

But paying farmers more DOES NOT mean consumers pay more. A 40% raise for farmworkers is only a 3.6% increase for consumers – that's \$15 a year. Paying dairy farmers an extra \$.60 per half gallon would also hardly affect consumers.

Both Dean Foods and Dairy Farmers of America have settled lawsuits for over \$300 million.



THE "COOPERATIVE" MISNOMER

Dairy Farmers of America and Land O'Lakes, with yearly revenue in the billions, look more like corporations than member-controlled cooperatives.

Many of biggest players in the industry are legally **"COOPERATIVES."** Cooperatives are supposed to be controlled by and for their members,