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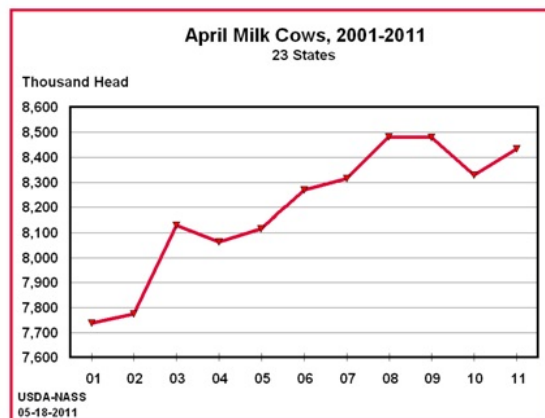
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Spring 2011: Milk Production and Prices Stable

Milk production in the 23 major States during April totaled 15.5 billion pounds, up 1.7 percent from April 2010. March revised production at 15.8 billion pounds, was up 2.4 percent from March 2010. The March revision represented a decrease of 6 million pounds or less than 0.1 percent from last month's preliminary production estimate.

Production per cow in the 23 major States averaged 1,834 pounds for April, 9 pounds above April 2010. The number of milk cows on farms in the 23 major States was 8.43 million head, 97,000 head more than April 2010, and 8,000 head more than March 2011.



Milk prices will show further weakness in May and be down considerably from the March peak, yet prices are much improved over a year ago.

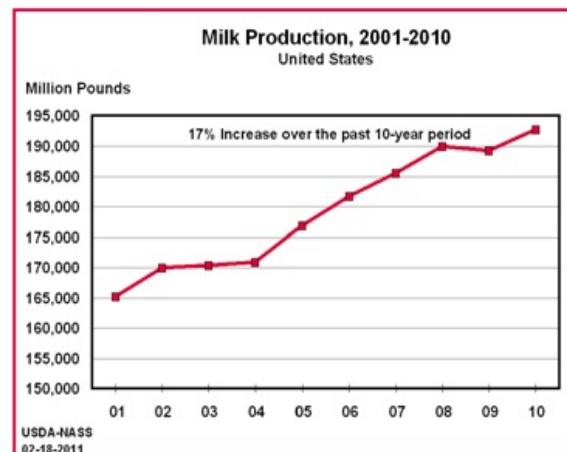
We could see some strengthening of milk prices beginning as early as June. The Class III price could well be above \$17/cwt. and reach near \$18/cwt. by September or October. The Class IV price is likely to stay close to \$20/cwt. until fall, before declining to the low \$19s or high \$18s by year's end. This price strength hinges on future milk production, domestic sales and continued strong dairy exports. While fluid milk sales continue to run more than 1% below a year ago, cheese and butter sales continue to run higher. Dairy exports have added strength to nonfat dry milk, cheese and butter prices. Compared to year ago, first

quarter exports of nonfat dry milk/skim milk power were more than double; total cheese exports 86% higher; and butter exports almost double. On a total solids basis, about 13% of U.S. milk production was exported.

So, with both favorable domestic sales and strong exports, the level of milk production will be a key to where milk prices will head this summer and fall. The growth in milk production was expected to slow with the high feed prices. Feed prices will remain high, with some relief when the new crop is harvested. Hay stocks are very tight in the West, with May 1 stocks 63% below a year ago in both California and Idaho, the lowest since 1999 and 2001 respectively. California and Idaho were paying 90% and 72% more for hay than a year ago, respectively. Hay stocks were also considerably lower than a year ago in the Northeast, but higher in the Upper Midwest. Hay prices for the U.S. averaged 38% higher. The new hay crop will soon be available and prices ought to subside. But, despite higher feed prices returns over feed cost remain positive and dairy producers have been producing all the milk they can in an attempt to recover from the losses incurred during the severely depressed milk prices experienced in 2009.

USDA's release of April milk production shows the growth in milk production may be slowing. April milk production for the U.S. was estimated to be up just 1.5% from a year ago. This is the smallest increase this year. The slow-down in production was due to a smaller increase in milk per cow, up just 0.7% from a year ago. Milk cow numbers have been increasing month-to-month since beginning last October. The increase from March to April was 8,000 head, putting the number of cows at 0.9% more than a year ago. Of the 23 reporting states, 17 had more milk cows than a year ago, and 13 had less milk per cow. Only six states experienced a decline in milk production.

The milk production growth in the Western states continues to outpace the rest of the country. A smaller increase in milk per cow slowed California's



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increase to 2.6%, compared to 3.1% in March.

Smaller increases in milk per cow also slowed the growth in Arizona and New Mexico production compared to March. But, Idaho and Texas continued with higher levels of growth, at 4.6% and 7.2% respectively. If milk production continues at this slower growth, it increases the probability that milk prices can hold near current levels and, in fact, show strength this summer and fall. The outcome of this year's crops will be a key factor for feed prices this fall and coming winter and will have a bearing on the number of milk cows, milk per cow and total milk production going into 2012.

Compiled from Robert Cropp, Today's Dairy News, May 20, 2011 and NASS Charts and Tables

Fifth Annual "Golf for Good Works" Registration & Sponsorships - There's Still Time!

"Golf for Good Works"! This year's tournament is right around the corner. Scheduled for Friday, June 24th at the Turning Stone Casino Resort, there is no better way to spend a beautiful June morning than to play golf at the beautiful [Shenendoah Golf Club](#) with your friends and colleagues. This annual event raises much needed funds to support important causes that will impact our agricultural industry.

[Registration brochures](#) were mailed to you soon a few weeks ago and are also available on our website. Our [on-line registration system](#) is also open! *Don't delay ... Register today!*

Please also consider sponsoring this year's tournament. Sponsorships assure the Feed Alliance's ability to make contributions to worthy causes and activities that enhance agricultural education and outreach. For example, through your support, the Feed Alliance has been able to provide substantial support to the North America Dairy Challenge, FFA, Agriculture in the Classroom and the Animal Industry Alliance. Our continued support for these and other worthy causes is critical.

For more information on registration and sponsorship opportunities, check out our website at: www.northeastalliance.com.

Informational Seminar: FDA's Food Safety Modernization Act

4:00 - 5:15 pm Thursday June 23, 2011
Turning Stone Resort, Verona, NY

Join us for the **Golf for Good Works** Reception and Tournament following the Seminar
(A \$25 fee will be charged for the reception if you are not playing in the golf tournament).

President Obama recently signed legislation authorizing substantial changes to FDA's authority over the Nation's food and feed supply. The Food Safety Modernization Act imposes new authority by FDA onto our feed industry and you need to know what is in store. The Northeast Ag and Feed Alliance is hosting an informational seminar to educate you on this new law and get you prepared for the changes to be imposed on our industry. Leah Wilkinson of the American Feed Industry Association is an expert on the topic and will be making the presentation.

This seminar is free to all NEAFA member companies, however, we would like a head count of attendees for planning purposes.

Please contact Sue Kinner at 518-783-1322 - or - sue@nysta.org to make your reservations.

This seminar precedes our annual *Golf for Good Works* Reception and Tournament, so plan to stay Thursday evening for the reception beginning at 5:30 pm, and golf the next morning on Turning Stone's Shenendoah championship course.

National Dairy Producers Take Plan to Congress

Members of the National Dairy Producers Organization (NDPO) took a draft of proposed dairy legislation to Washington, D.C. the week of May 16th, to garner support in Congress. The plan includes minimum milk prices based on cost of production, establishes base milk production levels, requires lower somatic cell counts and higher fluid milk total solids and butterfat standards, and in limits imports.

Many dairy proposals are currently being promoted by various groups including the National Milk Producers Federation, Dairy Farmers Working Together, USDA's Dairy Industry Advisory Council in addition to NDPO. Several of the plans contain similar provisions focused on the supply of fluid milk and the balance of trade in dairy solids as mechanisms to stabilize US milk prices. The details of membership on oversight boards and dollar values used to trigger the various control mechanisms are current topics for debate.

Bill Rowell, a Highgate, Vermont dairy farmer, and Chairman of the NDPO, stated in a recent interview that it is

important for the various groups advocating for changes in dairy policy to continue to work together in the months leading up to development of the 2012 Farm Bill. Rowell noted that most of the proposed plans have similar tools to address the current instability in the dairy industry. Rowell said "It is imperative to develop some sort of a tool, even if it isn't perfect yet."

Interview with Bill Rowell, May 24, 2012

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Humane Society of US: Non-profit Status Questioned

The Humane Society of the United States (HSUS) - a national, tax-exempt organization not affiliated with local animal shelters and the most powerful anti-hunting and anti-agriculture group in the nation - has drawn fire from a group of lawmakers who question its status as a qualified 501 (c)(3) organization.

HSUS supported a ballot initiative in Missouri (Proposition B) by pouring in some \$1.85 million (plus another \$300,000 in non-cash contributions) into its Missouri front group's bank account.

The measure passed by a slim three-point margin and sets regulations for the state's dog breeders-including how many dogs are allowed per facility. At the root of the issue is whether the HSUS attempted to influence legislation as a "substantial part" of its activities.

In a letter to Inspector General Eric Thorson in Washington, D.C., six members of Congress from Missouri and Alaska have requested a federal investigation into the level of funding and participation of HSUS in Missouri's affairs.

The letter follows previous letters to IRS Commissioner Douglas Shulman and Director of Exempt Organizations Lois Lerner that have resulted in no remedial action.

The members of Congress state the case this way, "We believe that HSUS's own public documents show beyond question that lobbying is a 'substantial part' of its activities, and feel that IRS's failure to act is attributable to the politically-sensitive nature of HSUS's activities."

"We certainly understand that 501 (c)(3) organizations are allowed to participate in lobbying activities. However, lobbying not only is a substantial part of HSUS's overall activities; it often appears to be the only reason for HSUS's existence."

By its own admission, HSUS spends more than twice as much on "Advocacy and public policy" than any other category of expenses. The Proposition B ballot initiative was heavily financed by HSUS. Campaign disclosure forms show that HSUS donated more than \$2.1 million of the \$4.8 million raised by proponents of the measure.

The lawmakers also cite other efforts in numerous examples of HSUS to influence legislation by having its employees urging the public to contact members of legislative bodies for the purpose of proposing, supporting, or opposing legislation.

Compiled from a story by Glen Wunderlich The Argus-Press, May 15, 2011

Welcome New Members

A Warm Welcome Goes Out To Eight New Members

| | | | | |
|------------------|----------|--|----------------|--|
| Mike | Maloney | Alltech, Inc. | 518-521-7978 | mmaloney@alltech.com |
| Jennifer | Schmidt | Alltech, Inc. | (802) 578-5520 | jschmidt@alltech.com |
| Corwin | Holtz | Holtz Nelson Dairy Consultants, LLC | (607) 844-3649 | holtz296@frontiernet.net |
| Alejandro (Alex) | Koffmann | Koffmann Industries | (612) 360-1711 | alex.k@koffmannindustries.com |
| Wayne | Cooke | Renaissance Nutrition | (800) 346-3649 | wcooke@rennut.com |
| Robert | Grim | Renaissance Nutrition | (800) 346-3649 | bgrim@rennut.com |
| Kelly | Over | Renaissance Nutrition | (800) 346-3649 | kover@rennut.com |
| Lisa | Tager | Vi-COR (Varied Industries Corporation) | (641) 423-1460 | james@vi-cor.com |

Feed Mill Safety - The Focus of OSHA

Our condolences go out to the employees of Harbor Point Mineral Products and the family of Chris Bernier following his tragic death in a silo accident on May 11. The grain handling industry is a high hazard industry where workers can be exposed to numerous serious and life threatening hazards. Despite the best efforts to optimize safety, accidents still occur, causing grief for all involved. The accident at Harbor Point Mineral Products required responses from the Utica Fire Department as well as the Department of Public works to access necessary equipment.

In addition to following safety procedures it is important to develop a relationship with local emergency responders. Art Whitman, president of the Northeast Ag and Feed Alliance regularly hosts his local fire departments at his mill and retail store for an in-depth review his facilities. As Whitman's Feed Store crosses into two towns with its buildings, it is important to have prior coordination of possible emergency response needs. During the annual visits Whitman points out the location of firewalls, sprinkler hook ups, electrical disconnects and chemical storage. The departments occasionally use Whitman's business location to conduct training exercises for pumper drills. By inviting the emergency responders to his business Whitman is confident they have the necessary familiarity to quickly respond to a crisis situation.

Suffocation is a leading cause of death in grain storage bins. In 2010, 51 workers were engulfed by grain stored in bins, and 26 died-the highest number on record, according to a [report issued by Purdue University](#). Suffocation can occur when a worker becomes buried (engulfed) by grain as they walk on moving grain or attempt to clear grain built up on the inside of a bin. Moving grain acts like "quicksand" and can bury a worker in seconds. "Bridged" grain and vertical piles of stored grain can also collapse unexpectedly if a worker stands on or near it. The behavior and weight of the grain make it extremely difficult for a worker to get out of it without assistance.



Grain dust explosions are often severe, involving loss of life and substantial property damage. Over the last 40 years, there have been over 600 explosions in grain handling facilities across the United States, which have killed more than 250 people and injured more than 1000. Grain dust is the main source of fuel for explosions in grain handling. The dust is combustible and can burn or explode if enough becomes airborne or accumulates on a surface and finds an ignition source (such as electrical sparks or electric or gas welding, cutting, brazing, or similar flame-producing operations).

Storage structures can also develop hazardous atmospheres due to gases given off from spoiling grain or fumigation. Workers may be exposed to unhealthy levels of airborne contaminants, including molds, chemical fumigants (toxic chemicals), and gases associated with decaying and fermenting silage. Fumigants are commonly used for insect control on stored grain and many have inadequate warning properties. Exposure to fumigants may cause permanent central nervous system damage, heart and vascular disease, and lung edema as well as cancer. These gases may result in a worker passing out and falling into the grain, thus becoming engulfed and suffocating or otherwise injuring themselves.

When workers enter storage bins, employers must (among other things):

1. Turn off and lock out all powered equipment associated with the bin, including augers used to help move the grain, so that the grain is not being emptied or moving out or into the bin. Standing on moving grain is deadly; the grain can act like 'quicksand' and bury a worker in seconds. Moving grain out of a bin while a worker is in the bin creates a suction that can pull the workers into the grain in seconds.
2. Prohibit walking down grain and similar practices where an employee walks on grain to make it flow.
3. Provide all employees a body harness with a lifeline, or a boatswains chair, and ensure that it is secured prior to the employee entering the bin.
4. Provide an observer stationed outside the bin or silo being entered by an employee. Ensure the observer is equipped to provide assistance and that their only task is to continuously track the employee in the bin. Prohibit workers from entry into bins or silos underneath a bridging condition, or where a build-up of grain products on the sides could fall and bury them.
5. Train all workers for the specific hazardous work operations they are to perform when entering and working inside of grain bins.
6. Test the air within a bin or silo prior to entry for the presence of combustible and toxic gases, and to determine if there is sufficient oxygen.
7. If detected by testing, vent hazardous atmospheres to ensure that combustible and toxic gas levels are reduced to non hazardous levels, and that sufficient oxygen levels are maintained.

8. Ensure a permit is issued for each instance a worker enters a bin or silo, certifying that the precautions listed above have been implemented.

To prevent dust explosions and fires, employers must (among other things):

1. Maintain good housekeeping throughout the facility including periodic checking for the accumulation of flammable/combustible dusts and cleaning or removing such dusts off surfaces.
2. Minimize ignition sources through controlling hot work.
3. Install wiring and electrical equipment suitable for hazardous locations.
4. Have a preventative maintenance program for heat producing equipment such as motors, bearings, etc.
5. Design and locate dust collection systems to minimize explosion hazards.

Compiled from OSHA information at <http://www.osha.gov/SLTC/grainhandling/index.html>

Commissioner Tours Cargill Plant



New York Commissioner of Agriculture and Markets Darrel Aubertine joined Feed Alliance leaders at the Cargill feed mill in Albany on May 16th. The tour provided the Commissioner with timely information on state of the art feed mill operations, including a robotic pallet stacker as shown in the picture at left. Commissioner Aubertine, formerly a State Senator and Chairman of the Senate Agriculture Committee, is an experienced dairy farmer from Northern New York. His agricultural roots run deep and he is making a point to getting out and learning more about our food and agriculture system. Following the plant tour President Art Whitman, Vice President Rob Sheffer, Secretary Rich Casler and Executive Director Rick Zimmerman sat down and discussed pressing issues with the Commissioner and Deputy Commissioner Jackie Moody-Czub.

Touring the Cargill feed plant with Commissioner Aubertine included: L to R: Rob Sheffer, Cargill Eastern Regional Manager and NEAFA Vice President, Commissioner Aubertine, Charlie Walseman, Cargill Albany Plant Manager, Art Whitman, Whitman's Feed and NEAFA President, Jackie Czub, Deputy Commissioner, Rich Casler, Feed Ingredients Trading Corp. and NEAFA Secretary.

AFIA Board Concludes Spring Meeting & Capitol Hill Visits

ARLINGTON, VA., May 13, 2011 - Nearly 60 members of the American Feed Industry Association's Board of Directors met to discuss issues of mutual concern and make their concerns known to their legislators during the annual spring meeting in the Washington, D.C., area this week. The AFIA Board also recognized Steven VanRoekel, Ridley Inc., for his leadership as chairman this past year, welcomed a new chairman, William C. Barr, Bill Barr & Company Inc. and 16 new directors to the Board and elected six new members to the organization's Executive Committee.

"AFIA is very fortunate to have had the exceptional leadership of Steve VanRoekel this past year, and we look forward to gaining the expertise Bill Barr will bring to this office," said Joel G. Newman, AFIA president and CEO.

AFIA Takes Concerns to Capitol Hill

Board members visited Capitol Hill to publicize AFIA positions on proposed legislation when they visited their respective members of Congress on May 11. The congressional visits, held following a legislative briefing on Capitol Hill the previous day, gave members the opportunity to discuss issues such as food and feed safety,

speculative trading and more.

The Board was briefed by Sen. Pat Roberts (R-Kan.), who shared his views on energy and tax policy as well as the recent over-regulation of businesses. He cited the EPA as an example of an agency that has gone outside the intent of Congress in their recent actions on dust standards and the clean water act.

Barr Succeeds VanRoekel

William C. Barr was elevated to the chairmanship of the country's largest feed organization at the meeting on May 11. Barr, the president of Bill Barr & Company Inc. of Overland Park, Kan., succeeds VanRoekel, the president and CEO of Ridley Inc. of Mankato, Minn. The terms of chairman and past chairman are one year.

In related business, the Board voted to accept the nomination of Alan Gunderson to become chairman-elect of the organization. Gunderson, the vice president of Vita Plus Corporation, will succeed Barr in May 2012.

New Additions to the Board, Executive Committee

The following individuals were elected to three-year terms on the AFIA Board and began their service with the May Board meeting:

- . Dave Probert, ADM Alliance Nutrition, Inc.
- . Gary Cooper, Cooper Farms, Inc.
- . Ivan Pedigo, Gold River Feed Products
- . Mike Micoletti, Penny Newman
- . Al Gunderson, Vita Plus Corporation
- . Steve Boenmer, Westway Feed Products LLC
- . Rich Dwyer, Kent Feeds
- . Steve Brody, Pioneer, A Dupont Company
- . Ken Vaupel, Alfagreen Supreme
- . Nate Yates, Corn Products International, Inc.
- . Paul Phillips, Maxi-Lift, Inc.
- . Bill Braman, Chr. Hansen Animal Health and Nutrition
- . Herald Scherf, DSM Nutritional Products, Inc.
- . John Thompson, Evonik Industries
- . Wendy Plocher, FMC Corporation
- . Greg Kean, WellPet LLC

The following individuals joined AFIA's Executive Committee:

- . Jeff Cannon, Diamond V Mills, Inc.
- . RB Halaby, AgriCapital Corporation
- . Lee Hall, Hallway Feeds
- . Tracy Harris, Central Life Sciences
- . Mike Osborne, Nutra Blend, LLC
- . Mark McCulley, The HANOR Family of Companies

New Additions to the IFEEDER Board of Trustees

The following individuals were elected to the Institute of Feed Education and Research (IFEEDER) Board of Trustees:

- Mark Lyons, Alltech, Inc.
- Eddie Wells, Milk Specialties Global

Other Key Issues Before the Board

AFIA Board members discussed a range of topics during their time together, including matters pertaining to membership, strategic objectives, finances and regulations and legislation.

The Board approved a proposal that AFIA support the formation of a Life Cycle Assessment modeling consultancy to be formed by the United Nations' Food and Agriculture Organization. AFIA will provide part funding for the project and ask the Institute for Feed Education and Research (IFEEDER) to fund half of the project, including consultant fees. As a funder, AFIA will provide two participants in the process.

In approving the budget the Board authorized the addition of a new legislative and regulatory position devoted to trade issues.

"One of the biggest growth areas of the feed industry is exports," said AFIA's Sellers. "The constant influx of information and new barriers begs for the need of this new position." He noted that AFIA will quickly develop a job description and begin advertising immediately.

Pictures of the incoming and outgoing board chairs can be viewed [here](#). A gallery of the Board Meeting can be viewed on AFIA's [Facebook page](#).

Remember, if you missed one, past issues of NEAFA News are always available on our website at:

Calendar of Events:

Dairy Nutrition Short Course

June 13-16, 2011

Miner Institute

Chazy, New York

[Click here for more information](#)

Kansas State - AFIA

Advanced Feed Manufacturing Short Course

June 13-16, 2011

Manhattan, Kansas

[Click here to register online](#)

or complete the [PDF registration form](#)

Informational Seminar - FDA's Food Safety Modernization Act

June 23, 2011

4:00 - 5:15 pm

Turning Stone Casino Resort

Verona, New York

For more information or to register contact: sue@nysta.org

"Golf for Good Works"

Annual Tournament

June 24, 2011

Turning Stone Casino Resort

Verona, New York

[Click here for more information](#)

2011 Safety, Health & Environmental Quality Conference

July 27-28, 2011

Hilton KCI Airport

Kansas City, MO

[Click here for more information](#)

Cornell Nutrition Conference for Feed Manufacturers

October 18-20, 2011

Doubletree Hotel Syracuse

East Syracuse, New York

[Click here for more information](#)

Cornell Dairy Executive Program

December 4-8, 2011

The Statler Hotel & Cornell University

Ithaca, New York

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