

September 2008

## New York and Vermont Milk Production Increases ... National Supply is Tight

New York dairy herds produced 1.06 billion pounds of milk during August according to Stephen Ropel, Director of USDA's National Agricultural Statistics Service - New York Field office. Milk cows were up from the previous year and milk per cow increased from the previous year resulting in a 3 percent increase in milk production compared to August 2007. The number of milk cows averaged 626 thousand head, up 1,000 head from August of the previous year. Milk per cow averaged 1690 pounds, up 50 pounds from the August 2007 rate.

NASS survey results indicate VT milk production in July 2008 to be at 220 million pounds, an increase from 216 million pounds in July of 2007. Per cow production has increased over the past year from 15,550 pounds to 15,850 pounds and cow numbers are up slightly as well.

Elsewhere across the nation milk production was impacted to varying degrees by Hurricane Ike as it hit Texas and moved onwards through the Midwest and Ohio Valley. The biggest

problems were heavy rains, high winds, and the resulting loss of electricity. Bottled milk sales were also affected as bottlers were not taking milk ahead of the storm and then could not take milk until after power was restored after the storm hit.

Milk production in the 23 major states during August totaled 14.5 billion pounds, up 1.5 percent from August 2007. July revised production at 14.8 billion pounds, was up 1.8 percent from July 2007. The July revision represented an increase of 12 million pounds or 0.1 percent from last month's preliminary production estimate. Production per cow in the 23 major States averaged 1,717 pounds for August, 2 pounds below August 2007. The number of milk cows on farms in the 23 major States was 8.47 million head, 137,000 head more than August 2007, but 3,000 head less than July 2008.

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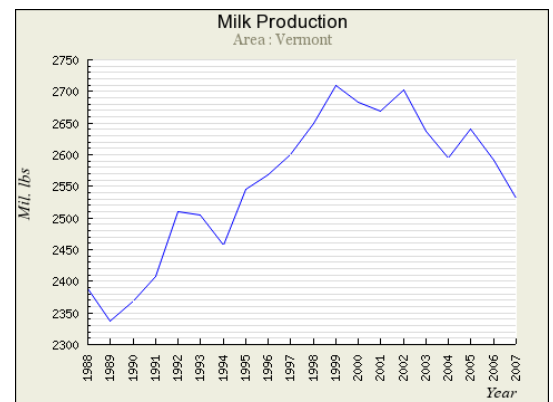
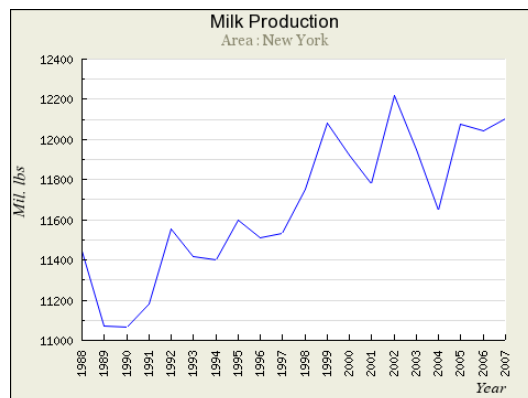
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Sources USDA Agricultural Marketing Service, University of Wisconsin Dairy Marketing and Risk Management Program, NASS-NY, and NASS-USDA

## Gulf Hypoxia Action Plan Released - Agriculture a Focus

**Snyder stressed the importance of the private and public sector working together on this important issue.**

*“The greatest strides in nutrient management will continue to come through local private and public partnerships that determine best management practices of nutrient application and waterways,” he said. “Whether or not the hypoxic zone in the Gulf of Mexico shrinks over the coming years, Midwestern farmers will continue to do their share, by meeting growing global demands for food, feed, and fuel in more sustainable ways. They will produce more with a smaller total footprint: less land, less inputs, and less run-off into the nation’s critical water resources.”*

The EPA released the 2008 Gulf Hypoxia Action Plan on June 16<sup>th</sup>. An update to the existing 2001 plan, the document has sparked discussion and attention from a broad spectrum of agriculture and industry throughout the Mississippi River basin. The plan has the potential to impact agricultural practices in the primary grain producing area of the United States.

Hypoxia is defined as areas of water containing low oxygen that cannot sustain marine life. One of the largest hypoxic areas in the world is found in the Gulf of Mexico where nutrients, originating from the great productivity of Middle American cities, farms, and industries, flow into the Gulf from the Mississippi and Atchafalaya Rivers. This vast area of hypoxia forms every summer off the coasts of Louisiana and Texas and threatens to change the biology and economic productivity of the region. The hypoxic water is distributed across the Louisiana shelf west of the Mississippi River and onto the upper Texas coast from near shore to as much as 75 miles offshore, and in water depths extending from the shore up to 180 feet deep. (Rabalais et al. 2007). The total scale of the hypoxic area is estimated to exceed 8,800 square miles. Hypoxia, as a large-scale phenomenon, was unlikely to have occurred before the 1970s.

To reduce the size and impacts of the hypoxic zone and improve water quality in the Mississippi /Atchafalaya River Basin, landowners and resource managers must reduce nitrogen and phosphorus in the surface waters of the Mississippi/Atchafalaya River Basin. Although many other natural and seasonal factors contribute to the formation of the hypoxic zone, reducing nutrient loadings from the various sources in the Basin addresses the most critical and controllable cause of hypoxia.

At a recent Washington, D.C. meeting on the impacts of nutrient use on the Gulf of Mexico, the National Corn Growers Association

described the efforts by growers to use nutrients more efficiently and the need for a more comprehensive look at causes of gulf hypoxic (oxygen-free) zone each summer in the Gulf, where most marine life cannot survive.

“Since the 2001 EPA Hypoxia Action Report was published, 42.8 million acres of land were put under conservation tillage and improved nutrient management or were used to restore, enhance or create wetlands,” said NCGA Director of Public Policy Rod Snyder. “Conservation tillage provides agriculture a tool for clean water management because it protects the soil from water and wind erosion and reduces nutrient run-off.”

At the meeting, conducted by the National Research Council, Snyder said that hypoxia in the Gulf of Mexico remains a complex environmental issue resulting from natural and man-made events, and many contributors of nutrients to the Gulf have yet to be identified.

For example, the EPA Science Advisory Board noted in its [2008 Gulf Hypoxia Action Plan](#) that “Additional analysis of detailed nutrient contributions from multiple sectors, including point sources and non-agricultural contributions needs to be undertaken.” The report continued, that “sewage treatment plants and industrial dischargers represent a more significant source of N [nitrogen] and P [phosphorus] in the Mississippi River basin than was originally identified.” **However, according to the EPA the greatest source of pollution causing the hypoxic zone in the Gulf is non-point source runoff from agriculture. Non-point sources, including atmospheric deposition, contributed 78% and 66% of nitrogen and phosphorus loads to the Gulf, respectively.**



**Field runoff has the potential to contribute significant nutrient load and sediment to receiving waters. Photo from the EPA 2008 Gulf Hypoxia Action Plan**

## **Genetically Engineered Animals One Step Closer to the Market**

The U.S. Food and Drug Administration announced on September 18 it is seeking comments by Nov. 18 on a draft guidance document that it hopes to finalize by year's end outlining how it has regulated – and will continue to regulate – genetically engineered animals and the products derived there from. The agency reiterated its intent to regulate genetically engineered animals under the new animal drug authorities found in the Food, Drug and Cosmetic Act, since they contain an rDNA construct intended to alter the structure and function of the animal by introducing new characteristics or traits.

Genetically modified cattle, pigs, poultry, fish and goats are being produced for a variety of uses. The agency noted that genetically engineered animals include those that: 1) produce human or animal pharmaceuticals (biopharm animals); 2) serve as models for human diseases; 3) produce high-value industrial or consumer products, such as fibers; and 4) possess new traits, such as improved nutrition, faster growth or reduced environmental impacts (such as reduced phosphate in manure).

While many kinds of genetically engineered animals are in development, none has yet been approved by the agency for marketing," FDA Deputy Commissioner Randall Lutter said.

It was important to formalize procedures the FDA uses to regulate genetically engineered animals, Lutter said, "because the technology has evolved to a point where commercialization of these animals is no longer over the horizon."

For genetically engineered animals, each type of modified specie would need a separate approval from the FDA, which will test the effect of the animal meat or milk on human health, animal health and the environment.

Biotechnology firms are happy with the issue of the guidelines. Barbara Glenn, managing director of animal biotechnology for the Biotechnology Industry Organization, told the New York Times, "We feel this will enhance investor confidence in this technology... A strong regulatory process translates ultimately into public confidence."

Critics are waiting for the guidelines to be published. A skeptical Margaret Mellon of the Union of Concerned Scientists told Washington Post, "The first time that the public will learn about a genetically engineered animal will be the first day it is approved... This requires that you completely trust the FDA to do this right, and I don't think folks trust FDA that much."

<http://www.newsdaily.com//18/2008>

<http://www.commondreams.org/headline/2008/09/18-4>  
*National Corn Growers Assoc*

## **Water Quality Credit Trading Program**

The nutrient trading program administered by the Miami Conservancy District for the Great Miami River Watershed in Ohio allows National Pollutant Discharge Elimination System (NPDES) permitted dischargers to purchase credits from best management practices installed by upstream non-point sources (i.e., agricultural producers) to offset nutrient loadings.

In a trading scenario between two dischargers, the party who has a higher cost for removing one unit of phosphorous (perhaps a municipal waste water treatment plant), would pay a party with a lower cost of removing a unit of phosphorus (perhaps a farmer) to remove an extra unit of phosphorous at the lower cost. The payment that is made to the farmer helps fund the cost of the practice to reduce phosphorus run-off.

In the Great Miami River Watershed point sources of discharge are purchasing reductions upstream from non-point sources in order to improve water quality enough to lessen the stringency of or eliminate the need for a Total Maximum Daily Load plan. Currently, there are 28 projects and more than 112 tons (244,606 lbs.) of nutrient reduction is targeted over the terms of the projects. Funded best management practices include conservation tillage, conservation crop rotation, conservation cover, milk house/cow lot treatment, pasture seeding/prescribed grazing, sod establishment, hayland, manure storage, grid sampling/variable rate technology, and filter strips.

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We're on the Web!

See us at:

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## Announcing: New Membership Contest Strengthen the Northeast Ag and Feed Alliance and qualify for significant prize money!

Reach out to your colleagues and business associates, help strengthen our organization and earn some money at the same time! Any individual or company directly or indirectly associated with the animal feed industry may join the Alliance.

**Eligible contest participants:** All Feed Alliance members in good standing

**Contest deadline:** February 9, 2009

**Eligible community of potential members:** Any feed manufacturer, dealer, supplier or affiliated company **not** listed in the 2008 Membership Directory. (Directories will be mailed to current members the week of October 1<sup>st</sup>, 2008). Membership lists are available on our website at: [www.northeastalliance.com](http://www.northeastalliance.com).

All successful recruiters will receive a \$25.00 gift certificate to LL Bean. Cash prizes will be offered to first, second and third place winners based on total point count achieved from recruitment activities

**Prizes:**

First Place, 30 points minimum:	\$500.00
Second Place 20 points minimum:	\$250.00
Third Place, 10 points minimum	\$100.00



**Point Schedule:**

Manufacturer/Dealer:	10 points
Supplier or Affiliated Company:	8 points
Bonus Points for additional memberships from any current or new member company:	5 points

**Proof of recruitment:** New membership application form signed by a recruiter or a statement by the new member identifying the recruiter. Membership applications are available on our website at: [www.northeastalliance.com](http://www.northeastalliance.com) or from the Alliance office at 888 445 4595.

**Questions?** Call Rick Zimmerman at 888-445-4595

***Prizes will be awarded at the 2009 Tea Party Banquet***

## NEAFA Calendar of Events

### 70<sup>th</sup> Annual Cornell Nutrition Conference for Feed Manufacturers

October 21-23, 2008  
Doubletree Hotel  
East Syracuse, NY

### Annual Meeting/Tea Party

February 9-10, 2009  
Boston Marriott Copley Place  
Boston, MA

### Dairy Feed & Nutrition Conf.

April 7, 2009  
Location: TBA  
Syracuse, NY

### Dairy Feed & Nutrition Conf.

April 9, 2009  
Fireside Inn  
West Lebanon, NH