

2010 Annual Meeting Special Edition

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Annual Meeting Speakers Address Current Industry Issues

Please visit www.northeastalliance.com for complete versions of each speaker's presentation.

CELEBRATE OUR PAST,
DISCOVER OUR FUTURE



2010 ANNUAL MEETING

ALBANY
An Amazing Discovery

FEBRUARY 7-9, 2010



Northeast Ag & Feed Alliance President John Mitchell addresses the Alliance's annual meeting Feb. 8-9 in Albany, NY. The theme of the meeting was "Discover Our Past, Celebrate Our Future."

Despite challenges brought on by heavy snow across the country, attendance was strong with 175 members and associates at the 2010 Annual Meeting of the Northeast Ag and Feed Alliance held on February 8th and 9th in Albany NY.

The Feed Industry and Food Safety

Richard Sellars, Vice President of the American Feed Industry Association (AFIA) and Kristi Krafka Vice President, Regulatory Affairs, Quality Assurance and Quality Control, Kemira AgriFoods North America, provided overviews of the impending Food Safety Enhancement Act and the necessary steps for a business to effectively address customer food safety concerns.

Food Safety Enhancement Act: It appears the US Senate will act on the bill that has wide spread support amongst a broad coalition of groups. Once the legislation is passed it is anticipated rule making will take an additional two years before it is clear the measures to be imposed on the feed industry. The centerpiece of the bill is a requirement for each facility that manufactures, processes, packs or holds feed products to have hazards identified and a written risk management plan to address the hazards. FDA will have the authority to review each facility's plan; at issue is how many company records FDA can see. The AFIA and the Alliance have requested:

- Clear separation of feed and food in standards development and enforcement.
- In many areas of the law replacing language stating the FDA "shall" with language stating the FDA "may."
- Limiting FDA access to only those records needed to be reviewed in relation to a specific food/feed safety event
- Tempering of provisions to minimize terrorist threats.
- Clearer requirements on mandatory recalls to provide controls and protections for feed manufacturers.

Industry Response to Food Safety Concerns: Krafka outlined steps to address regulatory requirements and customer concerns for food safety. Feed and ingredient manufacturers have a variety of voluntary programs to assist with regulatory requirements among them:

- ISO 9001:2008
- American Feed Industry Association (AFIA) Safe Food/Safe Feed
- FAMI-QS, European feed safety system
- Facility Certification Institute (FCI) Hazard Analysis Critical Control Points (HACCP)

Krafka also stressed that supplier relationships have become more important including details on ingredients, packaging, and country of origin.



The 2010 Distinguished Service Award was given posthumously to Tom O'Connell, a long time leader in the feed industry and the Northeast Ag and Feed Alliance. Receiving the award on Tom's behalf is (L to R) Kathleen O'Connell, Tom O'Connell, Jr., Marcia O'Connell, Tom's wife, and Rich Casler, long time business partner.

Annual Meeting – continued:

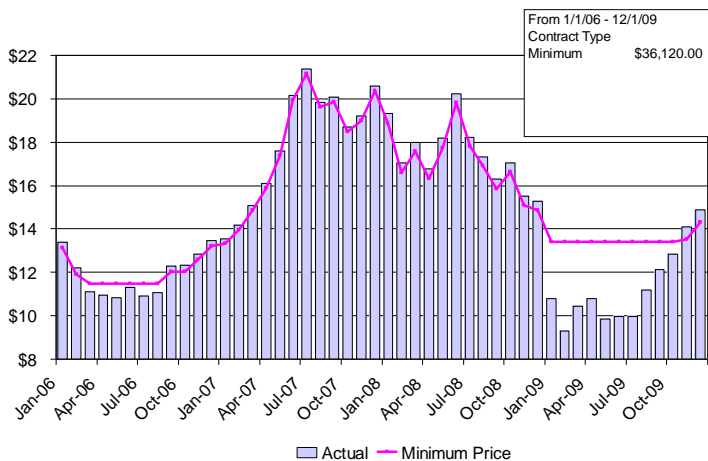
Forward Contracts to Protect Milk Price

Katie Krupa, Director of Risk Management and Analysis for DairyLea Cooperative, explained the technicalities of forward contracting milk sales as a risk reduction tool for dairy farmers. Once a dairy farm has clearly determined its cost of production it has the opportunity to purchase futures contracts for a minimum of 20,000 lbs per month, up to 80% of historic production. A farm can easily protect itself from wild swings in milk price, as has been experienced over the past six years, but should not expect to use forward contracts as a “get rich quick” scheme. The contracts should be viewed as a long term price protection tool.

Alliance members are encouraged to contact Katie at Katie.krupa@dairylea.com or 1-800-654-8838 ext. 5581 to learn more about the use of forward contracts for their customers.

Fig 1. Farmers can purchase a “minimum price” forward contract that allows the pay price to follow the market until it hits a minimum, at that point the farmer is protected from any further erosion in the price they receive for their milk.

November Risk Management Contract Options



The Value of Crop Insurance

Mr. Charlie Koinis, representative of the Risk Management Agency, presented information on federally subsidized crop revenue coverage (CRC) and yield coverage. Combined, the programs provide farmers with affordable protection against adverse weather conditions, insects, plant disease, wildlife and other natural disasters as well as swings in pay prices and yields.

In the face of falling farm income and more volatile grain prices and input costs, CRC is fast becoming the number one choice for corn, soybeans and wheat producers. The demonstrated ability of the federally subsidized CRC to protect against not only yield losses, but also revenue shortfalls is the major reason more farmers are participating in this program. For New York state the producer benefit for all forms of crop insurance is over \$3.00 in benefits for each \$1.00 of premium paid.

Fig 2. New York State Data for Premiums Paid and Losses Covered by all forms of crop insurance.

Crop Year	Losses Paid	Producer Premiums
■ 2009	\$23,202,887	\$8,506,087
■ 2008	\$21,488,569	\$8,772,692
■ 2007	\$15,046,780	\$7,194,696
■ 2006	\$20,193,384	\$6,196,106
■ 2005	\$12,673,667	\$5,435,156
■ 2004	\$19,912,188	\$5,136,868
■ 2003	\$15,622,947	\$3,855,125
■ 2002	\$19,679,218	\$2,918,920
■ 2001	\$6,937,105	\$2,737,213
■ 2000	\$10,229,429	\$2,167,398
■ Totals:	\$164,986,174	\$52,920,261



Members of the Northeast Ag & Feed Alliance met with members of the New York Senate Agriculture Committee and the Senate Minority Leader during their Feb. 8-9 visit to Albany, NY, for their annual meeting. The Senators, seated from the left: James Seward, Cathy Young, George Winner, Michael Ranzenhofer and Dean Skelos, Minority Leader.

What’s Ahead for Agriculture?

Mark Pearson, in his usual entertaining and informative style, provided a rapid fire overview of what is in store for international indicators that assist with prediction of farmer prices for various agricultural commodities. Generally Pearson expects prices to stabilize after the wild up and down roller coaster of the last two years. As with all the speakers, Pearson’s entire presentation is on the Alliance web site and contains a number of valuable slides indicating trends in demand and production as well as various monetary bench marks.

MONTHLY U.S. DAIRY TRADE BALANCE (1/07 – 11/09)

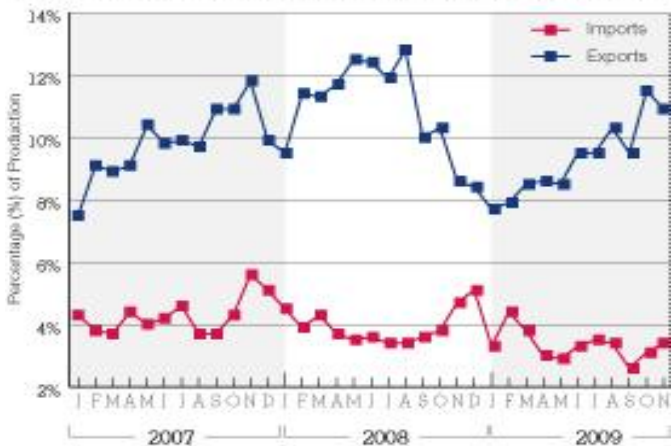


Fig 3. The strengthening dollar and increased international production sharply curtailed US dairy exports in late 2009

Producer Panel a Highlight

Moderated by Gerald Poppy, DVM of Diamond V, the producer panel was a highlight of the annual meeting. The featured farmers were:

- John Noble – 1,800 cow dairy, Noblehurst Farms – Linwood, NY
- Erick Farmer – 2,000 cow dairy, Yuma, CO
- Frank Boyce – 10,000 cow dairy, Shamrock Farms – Stanfield, AZ

The panel members spoke to their strategies for positioning their dairy businesses for continued success through the use of futures contracts for milk and feed, employee development, and diversification through energy sales, milk processing and marketing their expertise through management services.

Alliance Members Visit New York Lawmakers

On Monday, February 8th a group of over 20 Alliance members and staff visited with a strong cross section of lawmakers at the NY state capital building in Albany. The session started with a brief tour of the capital providing Alliance members with an overview of the building’s function and a bit of fun history (like where is the likeliest place to spot a ghost). Afterwards Alliance members had a chance to visit one on one with members of the Senate and Assembly and to share the Alliance 2010 legislative priorities.

When meeting with the Assembly Committee on Agriculture the issue of workers’ rights was discussed in detail. Alliance members expressed concern for safe working and housing conditions for all employees and explained the potential hardship imposed on NY agricultural producers by affording agricultural employees overtime compensation and collective bargaining rights. It appeared most Assembly members understood the disadvantage such measures would impose on the competitiveness of NY agricultural products in the national and international market place.

The Senate Committee on Agriculture discussed the proposed rule limiting heavy truck transportation on local roads in the Finger Lakes region. The Alliance has lobbied in collaboration with a broad coalition of NY interests to maintain efficient transportation lanes for local business. It was clear during the meeting that the voice of groups such as the Alliance is essential to provide lawmakers with reasoned and balanced information on which to base their decisions.

The lawmakers voiced their appreciation to Alliance members for taking the time to meet with them and offer pertinent input to current issues being discussed in the legislature. It was evident during the meetings that they were attentive and valued input directly from constituents. Legislation can only be as good as the knowledge used to develop it. It is essential that agricultural interests such as the feed industry are engaged to offer legislators a fact based understanding of contemporary concerns.



A highlight of the 2010 annual meeting of the Northeast Ag & Feed Alliance in Albany, NY, Feb. 8-9 was a panel discussion by a group of noted dairy farmers from across the United States. The panel spoke about the dairy industry of the future. The panel members, from the left: Erick Farmer of Yuma, CO; Frank Boyce of Stanfield, AZ; and John Noble of Linwood, NY. Dr. Gerald Poppy, far right, was the panel moderator.



Participants in the Northeast Ag & Feed Alliance Annual Meeting Feb. 8-9 in Albany, NY, meet with members of the New York Assembly Agriculture Committee. Committee members included, seated left to right, Assembly members Marc Butler; Peter Lopez; Bill Magee, committee chairman; Cliff Crouch, ranking minority member; Barbara Lifton; Bob Riley; Aileen Gunther; and Jack McEneny. Standing, second row, Steven Longo, Chief of Staff to Assemblywoman Roann Destito.

Northeast Ag & Feed Alliance

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We're on the Web!

See us at:

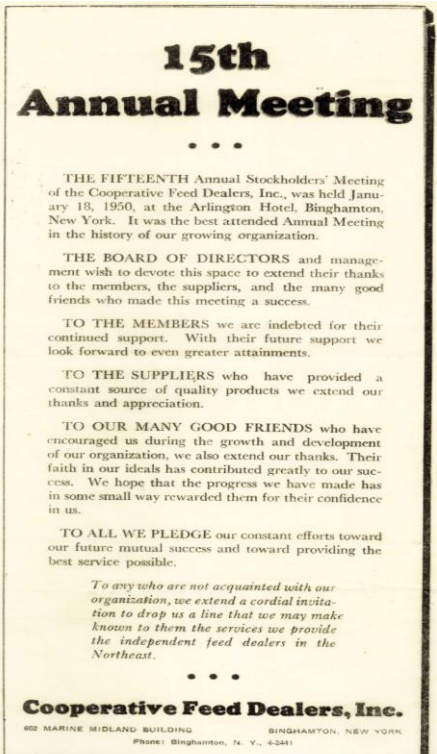
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Co-operative Feed Dealers Marks 75th Anniversary

In 1935, a group of forward-thinking independent feed dealers established Co-operative Feed Dealers (CFD) to collectively purchase for dealers and serve their unique needs. The independent feed dealers received competitive prices on merchandise and feed ingredients and then the profits were returned to members in the form of patronage dividends. The organization became a strong and highly respected association, well-known throughout the industry. Several current members of CFD are the children and grandchildren of founding members who started the group 75 years ago.

As CFD enters its 75th year in business it has expanded to distribute agricultural, garden and pet supplies. The dealer network includes feed mills and retailers - farm supply, pet supply stores, sporting goods retailers, footwear stores and garden centers. Co-operative Feed Dealers will continue to seize growth opportunities to benefit future generations of the co-operative's member-owners.

Congratulations CFD!



The above notice appeared in the Eastern Feed Merchant magazine announcing the 15th Annual Meeting of CFD held in Binghamton, New York in March, 1950.

NEAFA Calendar of Events

NEAFA Nutrition Conferences

April 13, 2010 – Syracuse, NY
April 15, 2010 – New Hampshire

AFIA Feed Industry Institute

June 14-17, 2010
St. Louis, Missouri

NEAFA Annual "Golf for Good Works" Tournament

June 25, 2010
Turning Stone Casino Resort
Verona, New York

REGISTRATION & SPONSORSHIPS NOW OPEN!

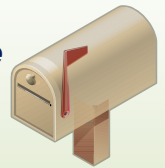
2010 Dairy Health and Nutrition Conference



April 13
DoubleTree Hotel
Syracuse, New York

April 15
A Fireside Inn & Suites
West Lebanon,
New Hampshire

Watch your mailboxes for registration materials, or visit us online now to print your own agenda and registration form.



Online registration is now available!

Go to: www.northeastalliance.com

Alliance Co-Hosts Vermont Legislative Reception

On February 18th the Alliance partnered with the Green Mountain Dairy Federation to host a reception for Vermont legislators at the state capital in Montpelier. The event was well attended by over 100 dairy producers and feed manufacturers and provided a welcome opportunity to network with legislators and members of the Vermont dairy community. Keep an eye out for next year's event as the Alliance continues to develop its presence in statehouses throughout the northeast.

