

July 2009

Depressed Milk Prices to Continue - Impact Hits More Than Just Farms

Citing a slower-than-expected liquidation of cows, USDA's World Ag Supply & Demand Estimates report, released July 10, raised the 2009 milk production forecast to 187.6 billion lbs., up 100 million lbs. from last month's estimate. Production for 2010, at 186.4 billion lbs., was unchanged. As a result, forecasted milk prices were reduced to the following ranges:

- The All-milk price for 2009 \$11.85 - \$12.15/cwt.
- The All-milk price for 2010 \$14.85 - \$15.85/cwt.



While dairy producers continue to manage through the worst downturn in over 30 years the ripple effect is moving throughout the rural economy. Compared to 2008, dairy farmers in the Northeast Ag and Feed Alliance area will see revenues decline by over \$825 million! While farm milk price is likely to be down at least \$5 per cwt, the cost of inputs have dropped only slightly, remaining 25% above 2006 levels- the previous down cycle.

Total Receipts from Milk Sales in Selected Northeast States

	2008	2009	2008-2009
Connecticut	\$ 73,326,000	\$ 54,087,000	\$ 19,239,000
Massachusetts	\$ 51,308,000	\$ 37,846,000	\$ 13,462,000
New Hampshire	\$ 59,501,000	\$ 43,654,000	\$ 15,847,000
New York	\$2,312,352,000	\$1,653,456,000	\$658,896,000
Rhode Island	\$ 3,999,900	\$ 2,945,200	\$ 1,054,700
Vermont*			\$116,781,000

What the table above does not take into account is the effect on upstream and downstream businesses within the agricultural communities. In many, dairy farming and its related services represent one of the largest single industries within the region. The \$825 million loss of revenue means less income flowing through communities thus less overall economic activity.

Rep. Peter Welch (D-VT) was invited to testify before the House Agriculture Subcommittee on Livestock, Dairy and Poultry on July 14th about the growing dairy crisis in Vermont. Welch spoke about the hardship facing Vermonters in the industry – including family farmers and feed dealers. Welch told the subcommittee. “With dairy representing 70 percent of Vermont’s agricultural economy, we could very well see a wholesale failure of our agricultural infrastructure – forcing out of business feed dealers, equipment suppliers, processing plants, farm creditors and many more.”

These six states include approximately 8000 dairy farms that farm 3.5 million acres and directly employ nearly 30,000 people. In addition we estimate that every farmer and farm worker is responsible for the employment of three individuals off the farm in the supply, input and processing and marketing sectors. Ultimately there are tens of thousands of jobs at stake and thousands of businesses that are negatively impacted by this dairy downturn.

- From Dairy Profit Weekly, VT Business News and First Pioneer Farm Credit Knowledge Exchange Partner. *VT data supplied by VT Agency of Agriculture

Inside:

Land Grant University 2

Welcome New Members 2

Cornell University Federal Grant 3

Hearing on Antibiotics Bill 3

NGFA Distance Learning 4

Save the Date – 2010 Annual Meeting - Albany 4

Northeast Land Grant University Round-up

In last month's *Northeast Ag and Feed News* we provided an update on exploration of a new research farm for the University of Vermont dairy research program. This month we have a round up of animal science programs at the University of Maine and the University of New Hampshire. Next month we will highlight Cornell and the University of Connecticut.

The University of Maine currently graduates about 20 students annually from its animal science program. The study course is broken into two components with one focusing primarily on pre-veterinary preparation and the other relating more to the practical aspects of animal science. Nearly a third of the graduates go on to vet school from the University of Maine animal science program, and while no tracking is conducted to follow how many enter food animal practices, the opportunities food animal specialization are stressed during their undergraduate preparation. In support of Maine's Standardbred racing community the school is expanding its equine science offerings.

There are few dairy science specific courses at the University of Maine but the school still supports a dairy farm housing approximately 35 cows and related young stock. The dairy herd is managed by a student committee, and utilizes significant student labor to carry out daily care. The University of Maine has partnered with the University of New Hampshire (UNH) to conduct a USDA supported research project in the production of organic forages and grains. A UNH doctoral student, Sue Marston, will compare results across years from the two universities to help evaluate feasibility of reducing off-farm grain inputs while maintaining milk yield and quality.

Dr. Martin Stokes, Chair of the Animal and Veterinary Science Department at the University of Maine explained that the school is anticipating a \$42 million dollar shortfall for FY 2010. Budget recessions from the state could increase the deficit further. The Department is bracing itself for significant cuts to its program.

The UNH dairy management program is designed to provide students with solid training in areas important to the successful management of a dairy enterprise, for

employment in related agribusinesses or for those wishing to pursue graduate degrees in dairy science or its related disciplines. Dairy management students receive training in areas such as nutrition, reproduction, diseases, genetics, lactation physiology, forages, agribusiness finance, personnel management, computer science, and public relations. In addition, junior and senior students enrolled in this program are given complete responsibility for managing the UNH teaching herd with other students, thereby acquiring actual management experience along with their basic subject matter training.



The UNH Teaching and Research Center, a modern dairy facility, houses approximately one hundred milking cows plus a similar number of non-lactating animals. Included in that number is the 25 cow, student-

managed CREAM herd (CREAM is the acronym for Cooperative for Real Education in Agricultural Management). The University also maintains a separate 42 cow Organic Dairy Research Farm (ORDF). UNH is developing a new major in Sustainable Agriculture and Food Systems (tentative name), for which the ODRF will be a key resource for students.

Dr. Andre Brito has recently accepted the new position of assistant professor in organic dairy that was created for the UNH ODRF operation. Currently with Agriculture & AgriFoods Canada, Brito specializes in maximizing nutritional efficiency while reducing wasteful nitrogen excretion. He officially begins August 24.

Under the leadership of UNH Professor Dr. John Aber several students have been part of projects funded by NESARE to define the potential for using the farm woodlands for bedding material, and for extracting energy from aerated composting of bedding/manure mixtures. They are also investigating are geothermal sources for pre-cooling milk to save energy, and preventing icing on laneways to improve safety for the cows.



New Members

We have five new members to welcome into our association. A warm welcome goes out to:

Barry James	McDowell & Walker, Inc.	607-639-2381	
Robert Evans	McDowell & Walker, Inc.	607-639-2381	
Mark Guyer	Renaissance Nutrition, Inc.	814-793-2113	mguyer@rennut.com
Sylvain Dumas	TRT ETGO du Quebec	514-782-1912	sylvain.dumas@trt-etgo.com
Andrew Buck	Western New York Energy, LLC	585-798-9693	abuck@wnyenergy.com

**Senators Schumer and Gillibrand Announce -
Key Senate Panel Approves \$1 Million for Cornell University to Develop New Dairy Policy
to Help Grow New York Agriculture Economy**



On July 13 U.S. Senators Charles E. Schumer and Kirsten Gillibrand announced that the Senate Appropriations Committee approved \$1 million for Cornell University to research and develop new agricultural policies to help grow New York's dairy economy in the FY10 Agriculture Appropriations Bill. Senators Schumer and Gillibrand aggressively lobbied members of the Appropriations Committee to include funding for the project in this year's spending bill.

Cornell University will receive \$1 million in Livestock & Dairy Policy Special Research Grants to develop new proposals for the U.S. Department of Agriculture and Congress to put in place and help grow America's agricultural sector.

This federal investment will arm Cornell University with the resources it needs to research and develop new policies to help get New York's dairy economy back on track - and bring relief to New York's farm families.

Next, the appropriations bill will need to be approved by the full Senate Appropriations Committee, after which it will be sent to the Senate floor. Clearing the Senate Subcommittee is the most difficult step in the process.

From Senator Kirsten Gillibrand

Rules Committee Hearing on Antibiotics Bill Draws GOP Criticism

A legislative hearing scheduled by Rep. Louise Slaughter (D-N.Y.) in the House Rules Committee, to discuss her proposed legislation banning on-farm antibiotics led to strong criticism from Republican committee members. Because the scheduled hearing is contrary to committee procedures, Rules Committee Republicans protested the action and voiced sharp disapproval.

The proposal would ban seven classes of antibiotics important to human health from being used in animals, and would restrict other antibiotics to therapeutic and some preventive uses.

Slaughter heard testimony from the Union of Concerned Scientists, the Pew Commission on Industrial Farm Animal Production and the Center for Metagenomics and Human Health—all staunch critics of on-farm antibiotic use. In written testimony, Dr. Joshua Sharfstein, principal deputy commissioner of food and drugs, said feeding antibiotics to healthy chickens, pigs and cattle should cease. And Dr. Sharfstein said farmers should no longer be able to use antibiotics in animals without the supervision of a veterinarian.

The critics attempted to make a case for why antibiotics in feed and water should be banned because they are the root of all human resistance to antimicrobials. The agriculture community, following the lead of the Animal Health Institute, countered with a transcript of last summer's House Agriculture Committee antibiotics hearing made part of the Rules Committee hearing record.

Meanwhile, Slaughter took another shot at food and agriculture by sponsoring a July 9 screening of the controversial anti-agribusiness documentary, "Food, Inc.," on Capitol Hill. According to one report, Slaughter is "bracing for a whining-fest from big agriculture, farmers, drug-makers, veterinarians and fast-food companies" about her anti-antibiotics legislation. Said her spokesperson, "The screening will show people just how bad the food industry is and, with luck, be a wake-up call for staffers and members—and the public."

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See us at:

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NGFA Feed Quality Assurance

Distance Learning Education Courses Now Available

Since 1994, the NGFA's **Model Feed Quality Assurance Program** has served as a resource on how to develop, implement and enhance feed quality assurance practices at hundreds of feed mills.

Now, the NGFA is offering the contents of this comprehensive, first-of-its-kind program in a new web-based distance learning format. The recently completed six-course program is designed for use by feed mill managers in training existing and new mill operators, as well as other personnel (such as administrative and sales staff), on feed safety regulatory requirements and feed quality assurance practices. The program is an excellent training tool that feed manufacturers can use to enhance their feed safety and feed quality assurance systems.

The six program courses – each approximately 45 minutes long – address the following topics:

1. FDA's Current Good Manufacturing Practice (CGMP) Regulations
2. Purchasing and Receiving of Grains and Feed Ingredients
3. Feed Manufacturing - Grinding, Mixing and Packaging
4. Feed Pelleting Operations
5. Finished Feed Control, Product Complaints, Investigations and Recalls
6. Hazard Analysis and Critical Control Point (HACCP) plans

To access a brochure that contains more information about the courses, program features and pricing, copy the following link (*A link to an order form is located at the end of the brochure*):

http://www.ngfa.org/files/misc/FQA_DL_Flyer.pdf

NEAFA Calendar of Events

2009 NGFA/GEAPS Seminar: Grain Quality Management

July 28-29, 2009
Marriott St. Louis Airport Hotel
St. Louis, Missouri
For Info: www.geaps.com

New Horizons in Johne's Disease Control

August 10, 2009
University of Minnesota
West Bank Campus - Wiley Hall
St. Paul, Minnesota
www.cvm.umn.edu/outreach/events/icp

Dairy Nutrition Shortcourse

August 17-20, 2009
Miner Institute
Chazy, New York

2010 NEAFA Annual Meeting

February 8-10, 2010
Albany, New York

Save the date!

CELEBRATE OUR PAST, DISCOVER OUR FUTURE



2010 Annual Meeting

ALBANY

An Amazing Discovery

February 8 - 10, 2010