

## 2009 Golf Tournament Special Edition

### Dairy Production Round-up: Output Strong Despite Weak Prices

Margins continue to be tight for dairy farm income, but milk production has been slow to respond to market signals. May milk production was actually up just slightly from a year ago.

and end the year being down 1% or more from that of 2008. The slowdown in production is due to a combination of a decline in milk cow numbers and not much increase in milk per cow.

For the past 19 months the milk to feed ratio has been below 3.0 and has not risen above 2.0 since March 2008. A ratio of less than 3.0 generally indicates operating expenses too high to allow for farm profitability.



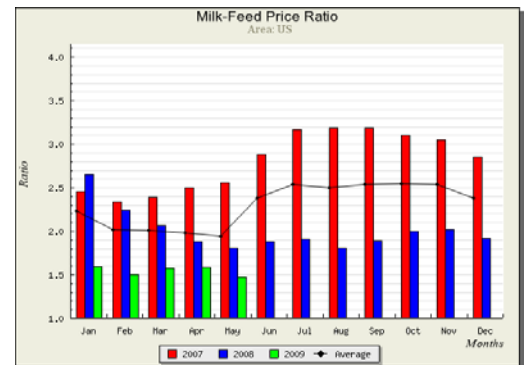
Slight decreases in dairy farm production recently recorded appear to be a seasonal rather than a market response. USDA's Agricultural Marketing Service reported on June 26<sup>th</sup> that milk output reductions, due to heat and humidity, have expanded to the Upper Midwest and continue in the Southeast. Florida recorded a 10-15% reduction in milk production for the week ending June 26<sup>th</sup>. Temperatures exceeding 100 degrees are forecast for Arizona. The Northeast and Mid-Atlantic regions have escaped the heat thus far with production declines at expected seasonal levels.

California has moved beyond its seasonal production peak and milk flow is reduced to the point where additional dryer time is becoming available for milk powder production. This means some dairy products which were being discarded are now finding a home. Milk output is holding steady to near peak levels in the Pacific Northwest, Utah, and Idaho. Nationally milk per cow in May was up just 0.6%,

With the very depressed farm milk prices and resulting financial stress dairy producers are facing, milk production should start to fall below year ago levels

Very low milk prices and relatively high feed costs have meant unfavorable returns over feed costs for dairy farmers for the past 18 months. Despite prolonged low milk prices and strong feed prices the National Ag Statistics Service reported the numbers of dairy cows moving to slaughter in May 2009 was at the lowest point recorded for the past 12 months. As of May, milk cow numbers had fallen just 59,000 head from the beginning of the year and are now 0.5% below a year ago. The 7th round of CWT is in operation and has started to remove portion of the 103,000 cows targeted between now and the end of July.

- Compiled with material from Bob Cropp, Professor Emeritus University of Wisconsin Cooperative Extension, USDA AMS reports and NASS.



### Key Senators Seek Comprehensive Rail Reform Bill

Two key senators are actively working toward a "comprehensive," bipartisan rail competition bill, hoping for action in the current session of Congress. Senate Commerce, Science and Transportation Committee Chairman John (Jay) Rockefeller, D-W.Va., and Sen. Herb Kohl, D-Wis., chairman of the Senate Judiciary Committee's Antitrust Subcommittee – are the key proponents of the bill.

The Senate rail antitrust bill, S. 146 would eliminate the current antitrust exemption granted to carriers for rail mergers and collective ratemaking. Under the proposed changes the U.S. Justice Department's Antitrust Division would be granted authority to review such matters. In addition, the bill would provide greater legal remedies against carriers that allegedly engage in activities contrary to antitrust laws. The bill also would empower the Federal Trade Commission to regulate and engage in antitrust enforcement actions concerning collective rate agreements, rail mergers and acquisitions. Rep. Tammy Baldwin, D-Wis. has sponsored a comparable bill in the House, H.R. 233.

Rockefeller and Kohl said they hope soon to achieve agreement on a "robust" bipartisan bill to reform the federal Surface Transportation Board (STB) and repeal railroads' antitrust exemption. Rockefeller and Kohl said they shared the "common goals of addressing the longstanding concerns of rail shippers and making the rail industry more competitive....This is a high priority for both of us, and we are absolutely committed to finding real solutions that can be enacted into law this year." The NGFA and 16 other agricultural organizations submitted a June 1 statement to the Senate strongly supporting efforts to achieve a comprehensive rail reform bill.

- Compiled from National Wheat Growers and NGFA

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**Third Annual Golf for Good Works: A Success!**

The Northeast Ag and Feed Alliance recently hosted its third annual "Golf for Good Works" golf tournament at the Turning Stone Resort in Verona, New York. Following an industry reception on Wednesday evening, the event began with a shotgun start fielding 24 teams. By the end of the day, the Alliance had raised over \$5,000 to support public relations efforts such as the North American Intercollegiate Dairy Challenge. Many thanks to our generous sponsors listed below, and to the teams who came out to enjoy the day and secure their bragging rights for another year. A complete collection of team photos can be viewed on our website at [www.northeastalliance.com](http://www.northeastalliance.com).



*First place goes to the Diamond V Team with a score of 8 under par. (L to R) Dave Anderson, John Meyers, Zach Anderson and Mark Anderson.*



*Third place winners with a combined score of 5 under par: Glen Waffle, Randy Schwalke, John Mitchell and Steve Wolfgang.*



*Second place was awarded to the Cargill I Team with a combined score of 7 under par. Team members are: Rick Button, Rob Sheffer, Dan Abrahamson, and Brian Sheley*



*Cornell University fielded a fine team of competitors: Tom Maloney, Harry Kaiser, Mark Stephenson and Brain Henehan. Thanks for your support!*

***Congratulations to our winners and thank you to the following sponsors of this great event!***

**Eagle Sponsors:** Feed Ingredient Trading Corp.

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Poulin Grain, Inc.  
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Zinpro Performance Minerals

**Hospitality Suite Sponsors:** Kemin Industries  
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**Beer Sponsor (on course):** Alltech

**Prize Donations:** Alltech  
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EMM Sales & Service, Inc./Walinga Inc.

Pestell Minerals & Ingredients, Inc.  
Whitman's Feed Store, Inc.  
& NutriLinx, LLC  
Zinpro Performance Minerals



## **Food Safety Enhancement Act Draws Widespread Opposition**

The Food Safety Enhancement Act of 2009, H.R. 2749 (FSEA) has garnered opposition from a broad coalition of agricultural producers and food and feed processors. While the Alliance supports many of the provisions of H.R.2749, and certainly supports its premise of assuring access to safe, wholesome food, there are number of provisions within the bill that are particularly troublesome to farmers and the animal feed manufacturing industry. Several members of the NE Ag and Feed Alliance Board of Directors recently contacted members of Congress to register their concern about specific portions of the FSEA.

Passage of the FSEA into law would amend the Federal Food, Drug and Cosmetic Act (FFDCA). The bill proposes a substantial increase in power and resources for the Food and Drug Administration (FDA) and would significantly diminish existing judicial restraints on actions taken by the agency.

Although the bill includes some provisions that could improve the mainstream food system, many of these are vaguely worded and do not clearly define the scope of the agency's power, creating the potential for inappropriate application and enforcement.

As currently proposed, the FSEA increases FDA regulatory powers over the national food and feed supply, namely granting it the authority to regulate how crops are raised and harvested, to quarantine a geographic area, to make warrantless searches of business records, and to establish a national food tracing system. Concurrently, the bill would impose an annual registration fee of \$500 on all facilities holding, processing, or manufacturing food or feed and require that facilities engaged in the transport or packing of food or feed maintain records of the origin and previous distribution history of the food.

### ***Specific concerns with the FSEA include:***

**Suspension of Facility Registration:** The bill empowers FDA to suspend the registration of facilities for violations that could result in serious adverse health consequences or death to humans or animals. This vague wording is of concern.

### **Authorizing FDA to Dictate Facility-Specific Product Safety Standards:**

Prevention and control systems resulting from a hazard analysis, by their very nature, are not "cookie-cutter" approaches suited to government mandates or dictums. They are unique to individual facilities, and facilities must be provided flexibility to tailor such programs in order for them to be effective. These provisions are made even more troublesome by the bill's provisions that would delegate the authority to issue such directives to the FDA District Office level; those offices frequently issue and implement inconsistent and varying interpretations of existing FDA regulations and policies. Furthermore, the legislation must recognize that animal feeds and pet foods should not be regulated in the same manner as human foods.

**User Fees:** The bill requires FDA to impose several fees to help fund the agency's mission, but provides no basis to justify the level of user fees. Funds generated from the user fees are directed into FDA's general revenues rather than to a dedicated account to pay for FDA's food/feed safety functions.

**Standards for Raw Commodities:** The bill requires FDA to implement regulations setting standards for safe growing, harvesting and storage of raw agricultural commodities, including on farm regulation if required to minimize the risk of serious adverse health consequences or death to humans or animals. This provision should be changed to authorize rather than require FDA to set standards.

**FDA Access to Records:** The bill dramatically expands FDA's access to facility records and expressly encompasses farms in the records-access requirement. This concern is heightened by previous incidents in which FDA inspectors have disclosed highly proprietary commercial facility business information to which they had access through records.

**Product-Tracing:** The contemplated product-tracing system in the bill far exceeds the Bioterrorism Act's requirement that facilities maintain records sufficient to identify the immediate previous source of the agricultural products and ingredients they receive and the next subsequent recipient to which they ship.

**Country of Origin Labeling:** The bill requires all non-processed food products (which would encompass raw agricultural commodities, like grains and oilseeds) to identify the country-of-origin of the product. This labeling also would apply to products of U.S. origin.



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See us at:

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## NEAFA

### Calendar of Events

#### **2009 Joint Annual Meeting ADSA – CSAS - ASAS**

July 12-16, 2009

Montreal, Quebec, Canada

For Info: [www.northeastalliance.com](http://www.northeastalliance.com)

#### **DDGS: Nutrition, Use & Feed Manufacturing Short Course**

July 27-31, 2009

(Early registration closes July 6)

Fargo, North Dakota

For Info: [www.northern-crops.com](http://www.northern-crops.com)

#### **2009 NGFA/GEAPS Seminar: Grain Quality Management**

July 28-29, 2009

Marriott St. Louis Airport Hotel

St. Louis, Missouri

For Info: [www.geaps.com](http://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](http://www.cvm.umn.edu/outreach/events/icp)

#### **Dairy Nutrition Shortcourse**

August 17-20, 2009

Miner Institute

Chazy, New York

### **Vermont Feed Industry Continues Research Center Discussions with UVM**

The Vermont Feed Dealers with leadership provided by Peter Karnezos and Mike Tetreault are successfully holding discussions with UVM officials and Clark Hinsdale III regarding the possible creation of a UVM supported dairy research facility in Charlotte, Vermont.

Hinsdale's late father and UVM alum, Clark Hinsdale II, created the visionary Nordic Farms complete with robotic milkers, a methane digester, meeting rooms and an elevated cow observation walkway. Nordic Farms can easily house 400 cows. The state of the art facility is located within close driving distance to the UVM campus and would provide an outstanding location for development of a revitalized dairy research program and student education facility.

The Vermont Feed Dealers Association, with financial assistance from the Northeast Farm Credit AgEnhancement grant program, commissioned development of an operating budget for the dairy facility portion of the project. Currently, members of the UVM Administration are reviewing the budget in anticipation of further discussions with Hinsdale family and the Vermont Feed Dealers Association.

In a separate, but related development, earlier this year the UVM dairy research herd was moved from the outdated Miller Research Facility on Spear Street in South Burlington to Nordic Farms. The University has entered into a short term operating agreement with Nordic Farms for management of the herd while a long term solution is sought for the future of dairy research at UVM.

### **Vermont Feed Dealers / Dairy Industry Association to Feature Nationally Known Speakers**

The Vermont Feed Dealers and Vermont Dairy Industry Association (VDIA) are presenting their annual conference for Vermont's dairy industry, September 23-24, 2009 at the Double Tree Inn in South Burlington, Vermont.

On Thursday, September 24th Dr. Pearce Lyons, president of Alltech, will address the Vermont Feed Dealers Conference. Dr. Lyons received the State Export Award for Kentucky and was acknowledged as the leader of one of the top 100 fastest-growing high-tech companies by *World Trade Magazine*.

Gary F. Sipiorski, of Vita-Plus will address two topics: "How the World and U.S. Economic Problems Have Reached Your Customers" and "How Does the Feed Industry Deal with the Economic Climate." Sipiorski, is a meeting advisor for the Professional Dairy Producers of Wisconsin and writes for Hoard's Dairyman and many other agricultural publications.

Dr. Daniel Fogel, President of the University of Vermont will address the group on developments in the dairy science program at UVM. The University has been working closely with the Vermont Feed Dealers Association to develop a new direction for dairy science research and education in Vermont.

Thursday's session will also include a panel discussion with three of Vermont's outstanding farmers, Tucker Purchase, Paul Knox, and Danny Gingue. The panel will be facilitated by Dr. Rick Grant of Miner Institute.

A dairy industry reception will be held at the Double Tree Inn on Wednesday evening from 5:30 to 7:30. Registration materials will be available at this web site in early August or by contacting Louise Calderwood at [rcalderwod@aol.com](mailto:rcalderwod@aol.com).