

Dairy Labeling Issue Gathers Steam

Although the Pennsylvania Department of Agriculture's Bureau of Food Safety will delay its recently announced steps to regulate so-called "absence labels" on milk by at least one month, to Feb. 1, 2008, interest in labeling issues is increasing in several other states.

In light of strong feedback Pennsylvania's Gov. Ed Rendell's office has ordered the delay to review the label enforcement decision. A coalition of more than 60 consumer groups, dairy farmers, farm and agricultural organizations, public health, animal protection and environmental groups, dairy processors and retailers wrote to Rendell to protest the PDA's plans. The ag department had ordered 19 companies to change their labels by Jan. 1, 2008, saying claims of "rBST-free," "hormone-free," "antibiotic-free" and "pesticide-free" had the potential to mislead consumers by implying products without those labels are less safe or inferior.

Meanwhile, the Ohio Dairy Labeling Advisory Committee scheduled two public listening sessions regarding establishment of state policies addressing dairy labeling issues. The first session was held Dec. 6, and the second is scheduled for Dec. 19

The American Farmers for the Advancement and Conservation of Technology (AFACT), the new nationally based dairy producer organization formed to protect the use of approved technologies and practices and defend the wholesomeness of all milk, has held organization and strategy meetings. Several state Farm Bureau's across the nation have approved resolutions regarding milk labels at their annual meeting. While

the language varies, in general the resolutions are in opposition to false, misleading or deceptive marketing and promotion and/or label claims, including the use of absence claims on food labels.



Some in the industry credit the current labeling controversy to the Food and Drug Administration's lack of clarity in handling labeling claims 15 yrs ago. That has created today's conflict, with dairy producers quarrelling against each other and leaving dairy cooperatives and processors struggling with ambiguity regarding what is truthful or misleading.

National Milk Producers Federation's Chris Galen, discussing the issue on DairyLine Radio warned the situation will likely get worse. "There's going to be a big push in coming years on the general topic of 'sustainability' throughout the consumer product chain, and a lot of that is going to focus on food.

The impact to the dairy industry could be even greater as USDA recently reversed a previous decision and told Tyson Foods it can no longer label its chicken products as "antibiotic-free," because ionophores are used in some feeds. Rumensin is an ionophore approved for use in dairy cattle feed.

Wishing you all a happy and safe
Holiday Season!

From the NEAFA Staff,
Rick Zimmerman, Phil Gottwals, Louise
Calderwood, and Ali Church

NORTHEAST AG & FEED NEWS

Grain Dealers to Gather Assessment for Proposed Sorghum Promotion & Research Order

The USDA is seeking comments regarding the establishment of an industry-funded promotion, research, and information program for sorghum. A national promotion, research, and information program for sorghum would allow the industry to address a number of production and marketing problems it currently faces. Three main problems currently affecting sorghum producers are as follows: lack of yield improvement and technology; aggressive market competition; and lagging ethanol research. The sorghum industry has declined in recent years in both production and acreage.

Sorghum is facing pressure in the marketplace from both indirect and direct competitors.

Like all agricultural commodities, sorghum must compete for a share of customers' dollars. On average, approximately 45 percent of U.S. grain sorghum

production goes to the export market. The top foreign market for U.S. grain sorghum for the last ten years has been Mexico. Due to the passage of the North American Free Trade Agreement (NAFTA), beginning in 2008, U.S. corn will be allowed duty-free entry into Mexico. Currently, cracked corn is entering Mexico without tariff and has depressed grain sorghum imports into Mexico. When U.S. corn enters dutyfree into Mexico, industry analysts suggest that a significant portion of the U.S. grain sorghum crop will need an alternative market. This will lead to the need for greater investment in new market opportunities, domestically as well as internationally. This investment could come from a national promotion, research, and information program.

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Upcoming NEAFA Events

83rd Annual Seminar & Tea Party

February 11 & 12, 2008

Marriot Copley Place, Boston, MA

Registration opens December 17



Meet the new Executive Director, Rick Zimmerman, and hear some of the most innovative and informative outlooks in the business, including that of Dr. Jay Lehr, NGFA's Kendell Keith, and the Humorist Damian Mason. Featuring a Dairy Industry Outlook, American Feed Industry Perspective, Political Outlook and Analysis, and of course the the Banquet and Tea Party.

**Look for registration materials in the mail
or on our website.**

2008 Ruminant Health and Nutrition Conference and New England Nutrition Conference

March 25, 2008-Syracuse, NY

March 27, 2008-West Lebanon, NH

Other Events of Interest

January 15-17

ME Farm and Forestry Expo,

Augusta, ME

January 29, 2008

New York Corn Expo- Good to Great 2010

Waterloo, NY nycorn.org

January 29-31

VT Farm Show,

Barre, VT

February 8-9

NH Farm & Forest Exposition,

Manchester NH

On the Horizon

June 18-19, 2008

Turning Stone Golf Outing Fundraiser

September 24-25, 2008

Vermont Feed Dealers Conference,

Burlington VT

NORTHEAST AG & FEED NEWS

AFIA's Food Safety Import Meeting Sparks Discussion

Open to the entire feed industry, AFIA's recent "National Dialog" workshop meeting held in Chicago was keynoted by Dr. Dan McChesney, director, Office of Surveillance and Compliance, Center for Veterinary Medicine, Food and Drug Administration. Dr. McChesney provided CVM's perspective of ingredient imports and gave an overview of his agency's Food Protection Plan.

Dr. McChesney characterized FDA's current safety approach as "mainly reactive." "FDA is not your quality control firm. It is your responsibility to make safe products," he advised. However, he said a new mindset is underway to try to build safety into the process from the start.

He went on to describe the agency's Food Protection Plan with three core elements: (1) prevention; (2) intervention- verify prevention and intervene when risks are identified and (3) response- prompt and appropriate. McChesney noted FDA's willingness to share the food safety responsibility and pointed to credible third party certification as a good possibility to consider in achieving that goal.

A second workshop speaker, Tim Costigan, quality director, Prince Agri-Products, covered his firm's experience in importing from China. Among other topics, Costigan discussed production issues, safety and health, traceability, and provided tips on how to insure that safe ingredients are coming into one's facilities.

AFIA Vice President of Feed Regulation and Nutrition Richard Sellers provided an overview of AFIA's Safe Feed/Safe Food Certification Program, now into its fourth year. He emphasized three critical parts in the program: (1) hazard analysis; (2) product tracking and tracing; and (3) inspections. Sellers reported that AFIA is working with FDA on various aspects related to third-party certification and strongly supports the agency's move in that direction.

The National Dialog concluded with approval from participants to move forward with development of a proposed industry guidance document. The next step will be to incorporate recommendations made by industry representatives and forward the draft to appropriate AFIA groups for further review.

Milk Prices, Production, and Exports All Strong

Despite recent volatility, dairy prices for all segments of the market remain strong. Fluctuations in cheese and butter prices recovered and closed the market on a high note on December 7. In light of record high prices paid to New Zealand producers the powder market has held steady and demand is strong for butter exports.

Across the country production is up with cow numbers increasing in CA and production responding to moderate weather in FL. Severe storms in the northwest caused local problems with plants cut off from farms but no long term impact is expected. Continued high prices paid to farmers offset the 8% increase in the production cost index experienced over the past year.

A recent USDA report indicates production increases in New Zealand fueled by the 43% increase in milk prices over the past year will be moderated by increased production costs-mainly land prices. USDA estimates New Zealand will experience a 3% to 5% increase in production over the next two calving seasons. As New Zealand powder dominates the global market, high prices paid down under continue to drive export opportunities for US farmers.

Farm Bill Activity-Moving Fast

Senate leadership, in an effort to break the Farm Bill debate log jam, agreed to allow each party to submit up to 20 amendments to the Farm Bill. The lists are being created and voting is taking place as we go to press. Floor action was taken Tuesday afternoon on amendment 3711, the attempt by Senator Lugar of IN to bring about significant reform to existing commodity payment programs. The amendment brought wide scale opposition from most commodity groups and garnered only 37 votes. Northeast Senators voting in favor of the amendment included Senator Schumer (D-NY), Collins (R-ME), Snowe (R-ME), Kerry (D-MA), Kennedy (D-MA), Spector (R-PA), Sununu (R-NH), Whitehouse (D-RI), and Reed (D-RI).

As soon as the amendment process is complete we will provide a synopsis on the Alliance web site.

NORTHEAST AG & FEED NEWS

Meet the Board: President Randy Schwalke

We will periodically include short bio's of Alliance Board Members in the newsletter. What better place to start than with the President!



Randy Schwalke presently serves as President of the Northeast Ag & Feed Alliance. Randy is a 34-year feed industry veteran with experience in Finance, Accounting, Sales, Marketing, Operations and General Management. While his experience is diverse, his professional career has spanned only

two companies, MoorMan Manufacturing Company and Blue Seal Feeds, Inc.

A graduate of Culver-Stockton College in Canton, MO, Randy began his business career in 1973 with MoorMan Manufacturing Company of Quincy, IL.

In October of 2000, Randy joined Blue Seal Feeds, Inc of Londonderry, NH as VP – General Sales Manager. In that capacity, Randy led all Sales Divisions including commercial dairy & the dealer organization. In November of 2002, he was promoted to President of the Company where he has served since.

Randy is married for 36 years, has two grown children and three grandchildren.

He can be reached at RSchwalke@BLUESEAL.com.

Sorghum *continued from page 2*

The proposed Order would establish an assessment that would be paid by sorghum producers and importers. The assessment would be collected and remitted to the Board by first handlers.

“First handler” is defined as the first person who buys or takes possession (excluding a common or contract carrier of sorghum owned by another) of more than 1,000 bushels of grain sorghum; or 5,000 tons of sorghum forage, sorghum hay, sorghum haylage, sorghum billets, or sorghum silage from producers in a calendar year for marketing.

The definition of first handler is constructed so that any commercial grain elevator would meet the requirement of the definition by buying more than the minimum amount of grain sorghum in a calendar year and therefore would assess all grain sorghum purchased.

ERS report *Feed Outlook*, August 14, 2007, forecasted grain sorghum production of 475 million bushels in 2007, making it the largest production year since 2001. If this level of production were realized, the proposed

Board would collect \$9.4 million in assessments on grain sorghum.

Full details of the proposed order can be found in 7 CFR part 1221. Comments must be received by January 22, 2008.

ADDRESSES: Comments must be posted online at <http://www.regulations.gov> or sent to Kenneth R. Payne, Chief, Marketing Programs, Livestock and Seed Program, AMS, USDA, Room 2628-S, STOP 0251, 1400 Independence Avenue, SW., Washington, DC 20250-0251; *Telephone:* (202) 720-1115; *Fax:* (202) 720-1125.

Reminder: send us your employee news!

Please e-mail your employee news to Louise at rcalderwod@aol.com (that's right-only one "o" in the e-mail) or call her at 802-586-2239 to share updates on companies and employee news