



National
Milk Producers
Federation

News for Dairy Co-Ops

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Market Prices

Farm Bill Still a Waiting Game

Negotiations over the 2007 Farm Bill are continuing into March, with the primary focus being on a budget figure that is acceptable to all parties. Both the House and Senate have released revised plans to bring the budget to an acceptable level so the White House will sign the bill. USDA officials have repeatedly stated that the President will not accept a bill without major reforms.

Current farm programs expire March 15th.

USDA Outlook Forum Highlights Biofuels, Rural Development

USDA's annual Agricultural Outlook Forum introduced new Agriculture Secretary Ed Schafer to much of the industry, reviewed the farm outlook, and highlighted the role of bio-fuels in agriculture and rural development.

USDA's 10-year baseline projections, released in connection with the Forum, show milk prices dipping to \$17.05 in 2009, before rising steadily to \$19.25 in 2017. However, prices for corn and soybeans are projected to go no higher than \$3.80 and \$9.00 per bushel, respectively. This was consistent with a persistently upbeat take on bio-fuels on the scheduled program, although one or two speakers, and many in the audience, raised serious questions about the sustainability of widening government bio-fuels mandates and the rising costs of food and feed.

Anyone interested in finding out more about this program may access it [online](#).

USDA Makes Changes to Southeastern Federal Orders

USDA has amended the three Southeastern Federal orders by raising their Class I prices. The interim decision raises Class I differentials in the Florida, Appalachian, and Southeast markets by between 10¢ in Louisville, Kentucky, and \$1.40 in Miami, Florida. Similarly, the transportation credit programs in the Appalachian and Southeast markets have also been expanded. Other provisions in these two markets will reduce the volume of pooled milk that a handler can divert to non-pool plants, but reduce the number of days that a producer's milk must be delivered to a pool plant, in order to simplify hauling logistics.

This decision is based on testimony and evidence given at a public hearing held at Tampa, Fla., May 21-23, 2007. USDA will conduct referendums to determine if producers

approve the amended orders. If approved, USDA will issue an interim order making the amendments effective.

Comments must be received by April 29 and can be made using the [Federal eRulemaking portal](#).

For additional information about the decision contact:

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Codex Committee on Milk and Milk Products Results

The Codex Committee on Milk and Milk Products (CCMMP) met last month to discuss a number of issues that could impact the trade of dairy products around the world. Notable results from the meeting included the following:

1. The Committee returned the Proposed draft Standard for Processed Cheese for redrafting and reconsideration at the next session of CCMMP. In view of the large number of issues that remained unresolved, the Committee agreed to discontinue the detailed revision of the draft at the present session. It was noted that the level of detail contained in the current draft made the document very complex and therefore a difficult task to reconcile different positions. It was also noted that good progress had been made on definitions, while more work was still needed on many issues, including the required natural cheese content. A Working Group will revise the proposed draft standard for processed cheese for consideration at the next Session.
2. The Committee continued discussions regarding standards for fermented milk drinks. The Draft Amendment to the Codex Standard for Fermented Milks pertaining to Drinks Based on Fermented Milk advanced for preliminary adoption by the Codex Commission in July 2008. The meeting debated and agreed on some modifications in the sections dealing with definition, permitted ingredients, composition, food additives, and labeling. The issue of required minimum content of fermented milk for these products remained unresolved with a majority of delegations supporting 40% whereas other delegations insisted on a minimum content of 50%.
3. The additive listings for the Codex Standard for Fermented Milks were advanced for endorsement by the Codex Committee on Food Additives (CCFA) and adoption by the Codex Commission in July 2008. The Committee agreed to forward the additive listings related to fermented milks, including drinks based on fermented milk, to the next session of the Commission for adoption and inclusion in the Codex Standard for Fermented Milks.
4. The Draft Model Export Certificate for Milk and Milk Products advanced and will be

considered for final adoption by the Codex Commission in July 2008. The completion of the CCMMP work on the Draft Model Export Certificate for Milk and Milk Products constitutes a major achievement for a document that has been deliberated for many years. Resolution was reached on pending issues that had prevented finalization at the previous session of CCMMP. These included an amendment to indicate that the food should comply with the hygiene requirements to be agreed upon with the importing country and/or the hygienic provisions of the Codex Code of Hygienic Practice for Milk and Milk Products taking into account that some “non-dairy producing countries”, which do not have specific legislation for milk and milk products, may need to rely on the requirements of the exporting country or on the hygienic provisions of the Codex Code of Hygienic Practice for Milk and Milk Products.

5. CCMMP reestablished maximum levels for annatto extracts in dairy products for international trade. Consensus was reached on recommending a maximum level of 25 mg/kg for individual cheese standards (Standards for Cheddar, Danbo, Edam, Gouda, Havarti, Samso, Emmental, Tilsiter, Saint-Paulin, Provolone, Coloummier, Cream Cheese, Camembert and Brie). These will be forwarded for endorsement to the Codex Committee on Food Additives (CCFA). Because several delegations requested that higher maximum levels be provided for some cheeses (e.g., Cheddar and Edam), the Committee agreed that comments on these maximum levels as well as technological justification would be considered at the next session of CCMMP.

6. Proposed draft Amendments to the list of food additives of the Codex Standard for Creams and Prepared Creams advanced for endorsement by CCFA and adoption by the Codex Commission in July 2008.

Overall, the meeting was very successful based on the work accomplished. The next meeting is scheduled for late 2009 or early 2010.

CWT and IDairy Make Appearances at World Ag Expo

For the first time, Cooperatives Working Together and IDairy exhibited a booth at the World Ag Expo on February 12-14. The Expo is held every year in Tulare, California, and boasts over 100,000 visitors from around the world to see the latest in agricultural innovation.

CWT Chief Operating Officer Jim Tillison spoke to passers-by at the booth, fielded questions, and gave interviews to media about the CWT program. He advocated the positive benefits of CWT, including the export assistance and herd retirement programs, and encouraged dairy producers who currently do not participate in CWT to sign up. Presently, CWT retains an almost 70% participation rate among US producers.

Also on hand at the booth was NMPF staff member Jamie Jonker for IDairy, the National Animal Identification System (NAIS) program working to promote animal identification and premises registration in the US. NMPF, along with 5 other organizations that serve dairy farmers and the USDA, supports IDairy in its mission to sustain the dairy industry by identifying all dairy cows in a national central database.

Visit the [CWT](#) and [IDairy](#) websites for more information on these programs.

National Drug Residue Database Results

The 2007 National Milk Drug Residue Database Annual Report was recently released and it showed a continued excellent effort on the part of the dairy industry to ensure that animal drug residues are not present in dairy products.

The report detailed which methods are used and what drug residues are tested. The results indicated that, out of the over 3.3 million milk tankers that were tested on a mandatory basis at processing plants, only 0.032% (less than 1 in every 3,000) were positive. When a tanker was found to be positive, the milk was disposed of, never reaching the consumer.

The report also details the additional, voluntary testing for non-beta lactam drugs. In total over 4 million tests were conducted in 2007.

Canada Verifies Case of BSE in Alberta

On February 26, nearly 10 months after the World Organization for Animal Health granted their country Controlled Risk status, the Canadian Food Inspection Agency (CFIA) reported the occurrence of bovine spongiform encephalopathy (BSE) in a six-year-old dairy cow from Alberta.

The CFIA assured the public in its press release that the carcass of the cow was properly removed and that no part of it had contact with the human or animal food supplies.

Both Canada and the United States implemented a ban in 1997 on cattle feed with ingredients derived from deceased cattle in an effort to reduce BSE, commonly known as mad cow disease. The cow in this situation was born several years after the ban took effect, and the CFIA contributed this to the delay between the implementation of the ban and the full eradication of BSE. As the CFIA stated in the press release, "the periodic detection of a small number of cases is fully expected."

Canada's Controlled Risk country status will not be affected by this BSE discovery. Efforts have begun to identify the cow's herd mates when it was born to determine if other hazards for BSE exist. The results of this examination will be published when complete.

Court Says No More Canadian Fluid Imports

On February 13th, a Canadian court ruled that farmers working outside the supply management system in Canada could no longer ship their milk into either Canada or the United States. It is unclear yet what these farmers may do since they appear to have no market for their product. The decision was applauded by both the United States and Canadian officials.

NMPF Prepares for Upcoming Board of Directors Meeting

Next week, NMPF will host its spring Board of Directors meeting March 10-11 at the Ritz-Carlton, Pentagon City hotel in Arlington, Virginia.

Committee meetings will begin at 10:30 am on the 10th and include the Political Action

Committee (PAC) meeting, the NMPF Dues & Budget Committee meeting, and the NMPF Officers meeting. The day will conclude with a membership reception. The Board of Directors meeting starts at 7am on the 11th, and will feature appearances by US Rep. Collin Peterson (D-MN), Chairman of the House Ag Committee, and Secretary of Agriculture Ed Schafer.

Anyone with questions about the Board of Directors meeting should contact Yolanda Onwubere.

Associate Member Focus: Kraft Foods

Kraft Foods, headquartered in Northfield, IL, employs more than 100,000 employees worldwide, providing consumers with brands such as Kraft, Oscar Meyer, Post, and Nabisco. Kraft has operations in 72 countries worldwide, with sales in 155 countries with approximately 190 manufacturing and processing facilities. Kraft also has 11 Research & Development centers.

Kraft Foods' company representative is Mike McCully, Associate Director, who can be reached at Phone: 847-646-8629; Fax: 847-646-4032; or by email at mmccully@kraft.com. To learn more about Kraft Foods, please [visit their website](#).

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