

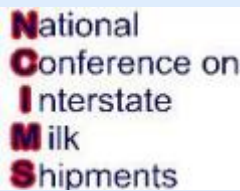


Homepages



Market Prices

Proposal to Reduce Somatic Cells Counts Defeated by National Conference on Interstate Milk Shipments



The National Milk Producers Federation's proposal to reduce the maximum level of somatic cell counts in milk – a measure of milk quality – was rejected yesterday by the National Conference on Interstate Milk Shipments (NCIMS), which has just concluded its biennial meeting here in Baltimore.

NMPF had asked the NCIMS voting delegates – a group of state regulators overseeing milk safety rules – to reduce the maximum threshold of allowable somatic cells in milk at the farm level from the current 750,000 cells/mL, down to 400,000, starting in 2014. But on a vote of 26-25, the voting delegates rejected the proposal, meaning that the status quo threshold of 750,000 cells will remain.

“Since it’s been nearly 20 years since the current standard was established, we believed it was time to make changes that improve the nation’s milk supply,” said Jamie Jonker, NMPF Vice President of Scientific and Regulatory Affairs. “It’s regrettable that this approach isn’t the one taken by NCIMS. However, we’re confident that the trend towards lower Somatic Cell Counts will continue, regardless of the vote today.”

Jonker said that legislation to reduce the somatic cell count (SCC) level has been introduced in Congress, and that international buyers are also looking at U.S. SCC levels with greater scrutiny. Those pressures “may result in changes to SCC limits being forced by a process outside of the NCIMS, which would be unfortunate if it results in regulations that are not as workable for dairy farmers.”

CWT-Assisted Export Sales Top Seven Million Pounds

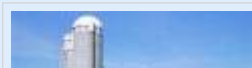


April was an active month for the Cooperatives Working Together (CWT) Export Assistance program. A total of 23 bids were accepted totaling 3,314 metric tons (7.306 million pounds) of cheese sold to ten different countries.

For the first four months of 2011, CWT assisted member cooperatives in making export sales totaling 12,328 metric tons (27.2 million pounds) to 17 countries on three continents. CWT continues to solicit both cooperatives and individual producers for membership in CWT for 2011 and 2012. The modest two cent assessment will not begin until 75% of the

eligible milk supply is signed up to participate. For a list of cooperatives currently committed to CWT, visit www.cwt.coop.

EPA Finalizes Dairy Exemption Sought by NMPF for Oil Spill Regulation of Milk Tanks



Last month, the U.S. Environmental Protection Agency (EPA)

[issued a final exemption](#) clarifying that dairy farms don't have to treat milk the same as petroleum products under the Spill, Prevention, Control, and Countermeasure (SPCC) regulation.

NMPF has been working with Congress and the EPA for two years to win the exemption for dairy farmers, so that their bulk milk storage equipment doesn't get regulated under the SPCC rules, since milk storage is already regulated as part of the current Grade A Pasteurized Milk Ordinance (PMO).

"We appreciate that the EPA is taking a common-sense approach with this decision, recognizing that arbitrarily lumping milk and oil together isn't the appropriate thing to do," said Jerry Kozak, President and CEO of NMPF. "'Got Milk?' and 'Got Oil?' aren't the same question, and they shouldn't need the same answer."

The goal of the SPCC program is to prevent oil spills into waters of the United States and adjoining shorelines. A key element of the program calls for farmers and other facilities to have an oil spill prevention plan, called an SPCC plan. NMPF expressed concern to federal authorities that the EPA was unnecessarily grouping together fuel oil and milk, and asked the EPA to exempt milk. In June 2010, the EPA committed to finalizing the SPCC exemption for bulk milk storage "as expeditiously as possible...to have that process completed by early 2011." Today's announcement is the culmination of that effort.

Even with the exemption of milk handling equipment, many farmers still need to have an SPCC plan. Such plans are required for farms which have an aggregate storage capacity of oil products of 1320 gallons, or more, for every storage container larger than 55 gallons.

A farm with less than 10,000 gallons of total storage capacity and no single storage greater than 5,000 gallons can self-certify their SPCC plan. Farms that do not meet this exemption must have a plan certified by a professional engineer.

NMPF has completed the development of a self-certification template tool to assist dairy producers in developing their SPCC plans that covers all fuel and oil storage on the farm. The template, developed with assistance from the U.S. Department of Agriculture's Natural Resources Conservation Service (NRCS), is [available on the NMPF website](#).

NMPF Backs New Senate Legislation to Help Address Labor Needs on Dairy Farms

NMPF has endorsed a [new Senate bill](#) that would allow dairy farmers to utilize a federal visa program to bring foreign dairy workers to the U.S.

Senators Patrick Leahy (D-VT), Mike Enzi (R-WY), Herb Kohl (D-WI), Kirsten Gillibrand (D-NY), Bernie Sanders (D-VT) and Charles Schumer (D-NY) have introduced the H-2A Improvement Act, which will authorize foreign dairy workers, sheep herders, and goat herders to remain in the U.S. for an initial period of three years, and gives the U.S. Bureau of Citizenship and Immigration Services the authority to approve a worker for an additional three-year period.

"Finding qualified workers to help milk the cows remains a real challenge for dairy farms, all across America," said Jerry Kozak, President and CEO of NMPF.

"Expanding the H-2A program so that dairy farmers can use it is one answer to that challenge."

The new H-2A visa legislation "provides a measure of equity so that dairy owners are treated that same as other farm employers who currently can use the H-2A program," Kozak said. Under present law, farms that hire seasonal workers to harvest fruits and vegetables can utilize the H-2A visa program. Dairy farms are not included because milk production is not considered seasonal work, a situation "that is unfair to one of the largest agricultural sectors," he said.

Kozak said that NMPF continues to support comprehensive efforts to reform the nation's immigration policies, especially legislation that would address current unauthorized agricultural workers.

NMPF and IDFA Criticize New Jersey Raw Milk Bill, Urge Governor to Oppose It

The leading national trade organizations representing dairy producers and processors [sent a letter last month to New Jersey Governor Chris Christie](#), urging him to oppose legislation in the state senate that would allow the direct sale of raw milk to the public. In the letter from the dairy associations, which was also sent to State Senate Democratic Majority Leader Stephen Sweeney, the National Milk Producers Federation (NMPF) and the International Dairy Foods Association (IDFA) said that the food safety risks inherent in raw milk will increase the incidence of foodborne illness and reverse public health improvements in New Jersey.

“The link between raw milk and foodborne illness has been well-documented in the scientific literature, with evidence spanning nearly 100 years. Raw milk is a key vehicle in the transmission of human pathogens, including E. coli O157:H7, Campylobacter, Listeria monocytogenes, and Salmonella,” the letter said.

The joint letter pointed out that the U.S. Centers for Disease Control reports that “nearly 90% of raw milk-associated outbreaks have occurred in states where sale of raw milk was legal. Legalizing the sale of raw milk in New Jersey increases the risk to public health, opening up the State’s consumers to the inevitable consequence of falling victim to a foodborne illness.”

Federal law prohibits the interstate sale of raw milk, but allows states individual discretion to regulate raw milk sales within their borders. Several states in recent years have considered expanding the sale of raw milk, even as the product has been repeatedly linked to serious illnesses from coast to coast. The bill in New Jersey’s statehouse is Assembly Bill No. 743.

NMPF’s President and CEO Jerry Kozak, whose professional career started in Trenton when he worked for the State Department of Health, wrote in the letter that “it is disappointing to see that the public health gains we achieved in New Jersey in the 1970s would be compromised today by a conscious effort to allow the sale of potentially pathogenic foods. This is an affront to all those working to protect public health.”

Dairy Groups Seek Swift Resolution of NAFTA Trucking Dispute with Mexico

NMPF and the U.S. Dairy Export Council (USDEC) hailed the recent release by the U.S. Department of Transportation (DOT) of proposed details for the phased implementation of a long-haul, cross-border trucking program between the United States and Mexico, a program that the department says emphasizes safety, while satisfying international obligations of the United States.

[In a letter](#) to House Speaker Boehner, House Minority Leader Pelosi, Senate Majority Leader Reid and Senate Minority Leader McConnell, NMPF and USDEC urged all members of Congress to support swift progress towards putting in place an agreed-upon resolution so that the retaliatory tariffs can be lifted and trade can be normalized in Mexico, the number one export market for U.S. dairy products.

The trucking program is crucial to the U.S. dairy sector, since many U.S. cheese exports have been subjected to legally-imposed retaliatory tariffs by Mexico since last August. As a result, shipments of the targeted cheeses fell by 60 percent between August 2010 and February 2011, the latest month of available data.

The DOT announcement represents the first critical step towards [resolution laid out by Presidents Obama and Calderon in early March](#). As DOT reaffirmed today, the plan calls for a 30-day comment period once the Federal Register Notice is published this week, followed by a period of approximately 30 days for DOT to assess comments. Subsequently, DOT will publish a Final Federal Register Notice addressing comments received and describing the implementation process of the project. Once a final agreement is signed—estimated to take place in approximately 60 days—Mexico will suspend its retaliatory tariffs on all products by 50 percent and then will suspend

the remaining 50 percent when the first Mexican carrier is approved to cross the border.

Valued at \$837 million last year, Mexico is the largest dairy export market for the U.S. Making the most of this market, as well as others around the world, is vital to supporting the dairy producer community.

Dairy Groups Welcome Progress on U.S.-Colombia FTA

NMPF and the U.S. Dairy Export Council (USDEC) applauded an announcement last month that the Obama Administration and Colombia have reached an agreement on an action plan that will help to move forward the long-stalled Free Trade Agreement (FTA) between the U.S. and Colombia.

“NMPF strongly supports all three pending FTAs – including the one with Colombia – and it is exciting to see the White House take a step closer to advancing each of them,” said Jerry Kozak, President and CEO of NMPF. “Dairy producers are looking to expand our export opportunities wherever possible and hope that this signals that we will soon see the Colombia FTA, as well as the vitally important Korea and Panama FTAs, submitted for Congressional approval.”

“Our industry has been eager to see this FTA move forward with an important Latin American ally and growing market for dairy products,” said Tom Suber, president of USDEC. “U.S. dairy exports to Colombia are currently greatly limited by tariffs that exceed 90% for many products of significance to us. We are eager to work with the Administration to help move this FTA to implementation in order to knock down these tariffs blocking greater U.S. dairy sales.”

NMPF estimates that the U.S.-Colombia FTA would deliver, on average, an additional \$25 million a year in benefits to U.S. dairy producers during the phase-in period of the agreement. Both organizations urged the Administration to move swiftly to seek Congressional approval of the U.S.-Colombia FTA, as well as the FTAs with South Korea and Panama, given the strong benefits for the U.S. dairy industry in each agreement.

Dairy Producers Pack Bags for NDPC Next Week



The time has arrived for dairy producers and others in the industry to head to Omaha, NE, for the National Dairy Producers Conference, taking place next week from May 15 - 17 at the Embassy Suites Hotel.

Participants signed up for the optional farm tour on Sunday will have the opportunity to visit Butler County Dairy in Surprise and the Archer Daniels Midland Company ethanol plant in Columbus. After a welcome reception and dinner on Sunday, the general program kicks off on Monday morning.

Dairy industry leaders will hear about the current environment on Capitol Hill, the preparations underway for the next Farm Bill, balancing trade, managing high input costs, environmental concerns, and animal care issues.

The NDPC would not have been possible without the support of [generous sponsors](#), who contributed to events and the conference in general.

To learn more about the NDPC, visit www.nmpf.org/NDPC.

Associate Member Focus



Hoogwegt was founded in the Netherlands in 1965 and is a privately owned company. The head office is located in Arnhem, The Netherlands, with offices in 10 different countries on six continents. Today, Hoogwegt is made up of leading dairy companies all over the world, including in countries like France, China, Australia, Poland, Argentina, and the U.S. Their core business is the marketing of dairy products and food ingredients.

The company provides value by sharing their vast knowledge of markets and products, giving access to a network of customers all over the world, and assuring that proper documentation is taken care of when shipping products.

Hoogwegt's range of products includes milk powders, whey powders, derivatives and ingredients, cheese, butter, and liquids.

Their contact person is Josh White, Product Manager, who can be reached at 800-443-3445. To learn more about Hoogwegt U.S., Inc., please visit their website at www.hoogwegtus.com.

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