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[Newsletter Home](#) | [View PDF](#)

Homepages



Market Prices

USDA Announces Terms for Milk Income Loss Contract Program Extension



Last week, the U.S. Department of Agriculture (USDA) officially announced the terms for the Milk Income Loss Contract (MILC) program extension, as included in the fiscal cliff bill passed on January 1, 2013. The payment rate for September 2012 milk production is \$0.59 per hundredweight, the last month in Fiscal Year 2012. The payment rate for October 2012 is approximately \$0.02 per hundredweight, and there is no payment for November 2012.

Before the October MILC payment can be issued, dairy farmers must complete a new Average Adjusted Gross Income (AGI) form for 2013. The new form, CCC-933 *Average Adjusted Gross Income (AGI) Certification and Consent to Disclosure of Tax Information*, must be completed by producers before they can receive payments for a variety of programs administered by FSA and USDA's Natural Resources Conservation Service. The AGI limit for dairy is \$500,000 for off-farm income. There is no AGI limit for on-farm income.

Dairy operations may select a production start month in FY 2013 other than October 2012. If they do, they must visit their local FSA office between February 1 and February 28, 2013, also known as a relief period.

For more information about MILC updates, please visit the [USDA website](#). Information is also posted on the [NMPF website](#), including NMPF's own approximate projections for possible payments.

Reid Reintroduces Senate Farm Bill to Maintain Momentum Behind New Legislation

Senate Majority Leader Harry Reid reintroduced into the Senate the same farm bill that previously passed the full Senate last summer, as a signal that the chamber plans to move aggressively on passing a new farm bill in 2013.

The 2013 farm bill has been formally designated as S. 10, making it part of a short list of priority pieces of legislation awaiting action in the Senate. NMPF applauded Reid's decision, saying that "it recognizes that the dairy policy reforms contained in the bill, along with other provisions in the measure, passed with overwhelming, bipartisan support last summer. The bill's Dairy Security Act will give farmers a better safety net while reducing taxpayer costs at a time when Congress is searching for ways to trim federal spending," said Jerry Kozak, President and CEO of NMPF.

"We look forward to working with Senator Reid, as well as with Agriculture Committee Chairwoman Debbie Stabenow (D-MI) and new ranking minority member Sen. Thad Cochran (R-MS), as the Committee updates the Farm Bill in the coming weeks. We will continue our bipartisan efforts in both the Senate and House to get a five-year farm bill passed that provide our producers the security and stability they need."

Congress Revives Immigration Reform Debate



With immigration reform moving high up on the list of issues that both political parties will address in the new Congress, NMPF President and CEO Jerry Kozak says he is “more optimistic than I have been in several years that the dairy industry’s call for legislation providing a stable, legal, year-around workforce will be included in a comprehensive immigration package this year.”

NMPF has been working closely for the past year and a half with other key farm groups, including the American Farm Bureau Federation and the National Council of Farmer Cooperatives, on efforts to develop a unified voice for agriculture on the immigration reform issue.” Now that the debate over immigration reform has moved to the fore, it is more important than ever for agriculture to be working together,” Kozak said.

To further that collaboration, NMPF helped to create the [Agriculture Workforce Coalition](#) (AWC), a coalition that is representing agriculture’s needs as immigration reform legislation is developed. NMPF has worked to ensure that AWC endorses policy proposals consistent with the needs of NMPF’s dairy farmer members. Specifically, the proposal moves agriculture away from a focus on the failed H2A program – which has never met the needs of dairy farmers – in favor of a new program that encompasses the workforce challenges faced by year-around industries like dairy farming.

Additionally, the AWC proposal, if adopted, will ensure that farmers do not lose their current workforce due to changes to the U.S. immigration system.

According to Kozak, NMPF was pleased with the recent Senate proposal released by the “Gang of 8,” a bipartisan group of Senators who have drafted a comprehensive solution to immigration and border security challenges. NMPF and AWC have worked closely with Senator Dianne Feinstein (D-CA) and Senator Marco Rubio (R-FL) to develop legislation that considers the needs of dairy farmers and agriculture in general. These efforts will become the starting point for the Senate’s efforts to pass an immigration measure.

NMPF also has been meeting with members of the House of Representatives and their staffs to discuss agriculture’s priorities. At the first House hearing this week on immigration reform, Judiciary Committee Chairman Bob Goodlatte, (R-VA), noted the specific needs of agriculture in the immigration reform effort, saying that U.S. laws “erect unnecessary hurdles for farmers who put food on America’s tables. Our agriculture guestworker program is simply unworkable and needs to be reformed.” “It is clear from these efforts that members of both parties and both chambers understand the unique needs of agriculture with regards to immigration reform,” Kozak said. “We are very pleased with the tenor of these discussions and we remain confident that when legislation regarding immigration reform is considered in the House, the needs of dairy will be addressed.”

January Record Month for CWT Export Assistance

The 2013 [Cooperatives Working Together](#) (CWT) Export Assistance program got off to a record start in January, receiving 160 requests for assistance from 10 CWT member cooperatives. That total included 128 assistance requests for cheese, 28 for butter, and two each for whole milk powder (WMP) and anhydrous milkfat.

After doing a comprehensive economic review of the requests received each week, four were accepted by CWT at the level of support members had requested. For the remainder, CWT advised members that the level of assistance they asked for was too high, based on market fundamentals. CWT determined that assistance should not be necessary on two of the requests submitted.

Of the 154 counter offers CWT made to members, 66 cheese offers were accepted, bringing the total cheese sales assisted to 19.3 million pounds. Twenty butter offers were accepted, taking total sales to 9.8 million pounds, and two WMP offers totaling 88,185 pounds were accepted. This was the equivalent of 391 million pounds of milk, or the same as the annual production of 18,600 cows.

The product was destined for 23 countries on six continents and will be delivered from

January through July.

Three Wisconsin Cooperatives Form FarmFirst Dairy Co-op



Members of Family Dairies USA, Manitowoc Milk Producers Cooperative, and Milwaukee Cooperative Milk Producers successfully voted on December 18, 2012 to merge the three cooperatives and create FarmFirst Dairy Cooperative, which began operating as a unified entity on January 1, 2013. The new cooperative's headquarters is in Madison, WI.

FarmFirst will represent more than 5,000 farms in Wisconsin, Minnesota, South Dakota, Michigan, Iowa, Illinois, and Indiana through policy bargaining, dairy marketing services, laboratory testing opportunities, and industry promotion.

Dennis Donohue, general manager of Manitowoc Milk Producers Cooperative, will serve as the General Manager of FarmFirst. Donohue will continue to serve as the cooperative's representative on the NMPF Board of Directors. Peter Kleiman, who owns and operates a 100-cow, 800-acre operation in Wilson, Mich., was elected president of the FarmFirst Dairy Cooperative board of directors. David Cooper, General Manager of Family Dairies USA, will serve as assistant general manager, and Jim Bird, General Manager of Milwaukee Cooperative Milk Producers, will assume the role of manager and director of lab services and special projects.

Under FarmFirst Dairy Cooperative, the combined member representation will be divided into a total of nine districts, based on membership within each district. The current directors from each of the three cooperatives will transition into the new organization, helping ensure consistency in leadership and membership voice.

Family Dairies USA Milk Program and the Fox Valley Quality Control Laboratory will continue to operate as subsidiaries of the new cooperative.

To learn more about FarmFirst Dairy Cooperative, please visit their website at www.farmfirstdairycooperative.com.

NMPF Praises Successful Conclusion of U.S.-China Dairy Certificate Negotiations

The U.S. has successfully negotiated a resolution with China on an import dairy certificate, a measure that provides certainty to U.S. dairy exporters in order to enhance U.S.-China dairy trade.

U.S. and Chinese government officials had been negotiating a new certificate for nearly three years, since China revised its requirements under the dairy certificate in the first part of 2010. Despite continued access to the Chinese market, the lack of an agreed-upon certificate impeded greater U.S. dairy exports, due to the uncertainty of whether the issue would ultimately be resolved.

"We commend the administration, as well as the Chinese government, for their conscientious and cooperative work on the dairy certificate over the past three years," said Jerry Kozak, NMPF President and CEO. "The positive announcement of a new certificate lifts the uncertainty that hung over the Chinese market, thereby encouraging greater U.S. dairy sales."

U.S. dairy sales to China in 2012 were an estimated \$400 million. U.S. dairy exports to China have grown by more than 100% since 2010 and are expected to continue to grow to help meet the increasing demand for dairy products in that country.

The U.S. will begin issuing the new certificate immediately for product destined for China. Certificates issued by the U.S. prior to Jan. 18, 2013 will be valid through March 20, 2013 but not accepted by China after that date.

Registration Open for National Dairy Producers Meeting in Indianapolis



Dairy producers from around the country will pack



their bags and head to Indianapolis, Indiana, for the April 7 – 9, 2013 National Dairy Producers Conference (NDPC). Held every other year, the NDPC will provide an in-depth discussion of the

issues facing the dairy industry, with educational discussions on many of the key challenges looming in 2013.

"We are excited to be heading to Indianapolis for this year's meeting," said Jerry Kozak, President and CEO of NMPF, which hosts the conference. "The NDPC is an effective way to analyze the status of the dairy industry now, and discuss possible solutions for the future."

The meeting will include panels on some of the most important topics dairy producers are facing today. Immigration reform will be taking center stage in 2013, and dairy farmers will be fully engaged in that debate in Congress. Financing issues continue to challenge farmers, even though the general farm economy is improving, and there are still several questions and uncertainties about dairy lending.

Some dairy producers don't realize the impact on the entire market chain that can result when they decide to sell or euthanize a dairy cow. Thus, one panel will address the importance of making informed decisions and ensuring that an animal is appropriate to market, is handled humanely throughout the process, and that the meat that results is a safe, quality product.

Protecting and promoting the integrity of U.S. dairy products has always been a challenge, and there are threats from non-dairy pretenders such as "soy milk" seeking to cash in on the appealing image of traditional dairy foods. In addition, European competitors are trying to prohibit the use of long-standing common names like parmesan and feta by American dairy producers and manufacturers.

A final panel will examine livestock manure and water quality issues, and look at innovative ways to turn manure management from a cost-center to a profit-center. Individual speakers will also discuss the Dairy Security Act's margin insurance program, technology and innovation on dairy farms, and the challenge of high and volatile feed prices.

The NDPC sessions will be preceded by an optional farm tour that will take place on Sunday, April 7. Participants will visit Fair Oaks Farms in Fair Oaks, IN.

Although the conference is geared primarily toward dairy producers, anyone with a stake in the dairy industry is invited to attend. This may include dairy cooperative executives and directors, processors, suppliers and consultants to the dairy industry, state and federal regulators, promotion organization executives, and academics.

Participants are encouraged to secure their farm tour spot, meeting registration, and hotel reservation at www.registration123.com/NMPF/2013NDPC. The hotel's cut-off date for discounted room reservations is Thursday, March 14. After that date, the room rate will be confirmed on a space and rate-available basis.

For complete information about the NDPC, please visit www.nmpf.org/NDPC.

CDC Reports Links Raw Dairy Foods to Foodborne Illnesses

A comprehensive new government analysis of the sources of foodborne illness found that because of the consumption of raw milk products, dairy foods are the second leading source of viral and bacterial problems.

The report, produced by the Centers for Disease Control and published in the journal *Emerging Infectious Diseases*, found that during a ten-year period from 1998 to 2008, dairy products caused 14 percent of the illnesses and 10 percent of the deaths. Only leafy greens had a higher incidence of illness. Part of the reason why dairy products were commonly linked to foodborne illness is that their level of consumption is high, with many Americans eating some form of dairy product every day. The other reason is that the consumption of raw fluid milk, and home-made cheeses made from raw milk, continues to grow.

The CDC report is "a compelling illustration of why NMPF has asked federal and state regulators and legislators to more aggressively oppose efforts, many of them at the state level, to expand the sales and availability of raw milk," said Jerry Kozak,

President and CEO of NMPF. "The purported benefits of the products over pasteurized milk have no scientific validity and are impossible to prove, but the health risks are clear, as this report indicates."

Foodborne illness sends 128,000 Americans to the hospital each year and leads to 3,000 deaths annually. To compile the report, the CDC evaluated more than 4,500 food-borne disease outbreaks from 1998 to 2008.

NMPF Accepting Applications for National Dairy Leadership Scholarship Program

NMPF is accepting applications for its National Dairy Leadership Scholarship Program for academic year 2013-2014.

NMPF's Board of Directors offers scholarships each year to qualified graduate students (enrolled in Master's or Ph.D. programs) who are actively pursuing dairy-related fields of research that are of immediate interest to NMPF member cooperatives. Graduate students pursuing relevant research are encouraged to submit an application (applicants do not need to be members of NMPF to qualify). The top scholarship applicant will be awarded the Hintz Memorial Scholarship, which was created in 2005 in honor of the late Cass-Clay Creamery Board Chairman Murray Hintz, who was instrumental in establishing NMPF's scholarship program.

Recommended fields of study include but are not limited to Agriculture Communications, Animal Health, Animal and/or Human Nutrition, Bovine Genetics, Dairy Products Processing, Dairy Science, Economics, Environmental Science, Food Science, Food Safety, Herd Management, and Marketing and Price Analysis.

Applications are due no later than Friday, May 3, 2013. For an application or more information, please visit the [NMPF website](#). For questions, please contact [Betsy Flores](#).

Dairy Farmer Selected as One of Four Winners in USFRA National Spokesperson Search



Last month, the U.S. Farmers & Ranchers Alliance (USFRA®), a coalition of which NMPF is a member, announced that dairy farmer Will Gilmer (left) from Sulligent, AL, had been selected as one of four winners in its Faces of Farming & Ranching program, a nationwide search launched in summer 2012 to help put real faces on the American agriculture industry.

Chris Chinn from Clarence, MO, Katie Pratt from Dixon, IL, and Bo Stone from Rowland, NC, were the other three winners. The winners will act as national spokespeople and share stories and experiences on a national stage to help answer consumers' questions about how food is grown and raised to feed our nation. More than 100 applications had been submitted to the Faces of Farming & Ranching program from passionate, dedicated farmers and ranchers across the country.

Gilmer and his father own/operate a dairy farm in Alabama's Lamar County. The dairy has been in continuous operation since Will's grandfather established it on his parents' farm in the early 1950s. They currently milk 200 Holstein cows and raise their own replacement heifers, while managing 600 acres of land used for pasture and forage production. Those forages include hay, summer silage crops, and small grains/ryegrass for both silage and strip grazing. Gilmer is an active contributor to social media, with a series of videos on his YouTube channel. He is a member of Dairy Farmers of America. From Nov. 15 - Dec. 15, 2012, thousands of people visited

www.fooddialogues.com/faces-of-farming-and-ranching to learn more about the candidates and to vote for whom they believed best represented American agriculture. In addition to the public vote, a panel of judges from throughout the food and agriculture community interviewed and evaluated the finalists to help determine the winners of Faces of Farming & Ranching. Criteria included the ability and commitment to share their stories about continuous improvement; involvement with the community

and agricultural organizations; strong speaking capabilities, and a passion for what they do.

Associate Member Focus



Agropur Cooperative is a Canadian dairy cooperative that will mark its 75th anniversary this year. Agropur processes roughly 793 million gallons of milk in 27 plants spread throughout Canada, the United States, and Argentina for their 3,300 plus member dairy farmers. Agropur offers 12 different product lines ranging from cheese, milk, butter, and yogurt, generating more than \$3.6 billion in sales annually. It employs 5,700 people.

Agropur continues to build on the vision of its pioneers. This organization with humble roots has remained faithful to cooperative values and today is a leader in the Canadian dairy industry. For over seven decades, Agropur has served consumers with outstanding reliability, providing them with a complete line of dairy products. The passion of the early years is still there, enriched with the know-how and wisdom acquired over time.

Agropur's contact is Robert Coallier, Chief Executive Officer. To learn more about Agropur, please visit their website at www.agropur.com.

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