National Milk Producers News for Dairy Co-Ops Federation

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Market Prices

Farm Bill Process Heats Up with Action Expected Soon in Senate



The Senate Agriculture Committee is expected to vote on a new Farm Bill later this month, and NMPF is ramping up its efforts to ensure that the provisions of the <u>Dairy Security Act</u> are included in the Senate legislation under consideration. NMPF has continued to highlight the importance of making

dramatic changes in dairy policy, both on Capitol Hill, and across the country. National Milk member farmers have published a series of editorial columns this year in key states such as <u>California</u>, <u>New York</u>, <u>Pennsylvania</u>, <u>Wisconsin</u>, <u>Minnesota</u>, <u>New Mexico</u> and <u>Texas</u>, calling on Congress to enact the Dairy Security Act. In addition, at its spring meeting last month, the NMPF Board of Directors passed a resolution urging Congress to create a new Farm Bill in 2012, one that contains an improved safety net in the form of the Dairy Security Act. The resolution "made it clear that National Milk does not support any approach in Congress that would extend current farm programs by another year, and delay the creation of a better dairy program," said Jerry Kozak, President and CEO.

Both the House and Senate Agriculture committees have held their own series of hearings on Farm Bill issues. The House has one more field hearing to conduct on April 20th in Dodge City, Kansas. However, the Senate ag panel is expected to move first to draft a farm bill, as early as the week of April 16th.

Farmers can email their Senators to support the Dairy Security Act by using NMPF's Dairy GREAT grassroots system.

NMPF Assumes Management of REAL® Seal for Dairy Products



NMPF will now manage the licensing and use of the REAL[®] Seal, one of the most iconic and recognizable product integrity logos used in the food industry.

Effective March 15, 2012, the management of the REAL[®] Seal program was transferred from the United Dairy Industry Association to NMPF. This change was the result of an agreement between the two organizations that the transfer was the best opportunity to place a renewed emphasis on

highlighting the importance and value of American-made dairy foods.

"The REAL[®] Seal was created more than 30 years ago to help consumers distinguish between real and artificial cheeses, as the pizza category was really taking off," said Jerry Kozak, President and CEO of NMPF. "Today, a generation later, we still see a need to differentiate American-made dairy products from imports, and real dairy foods from those made with soy or rice or even hemp. Our management of this labeling program will benefit consumers, as well as the farmers who have a direct stake in how their milk is marketed."

One of NMPF's primary missions "is protecting the integrity and overall value of U.S.

dairy products. NMPF has expertise in food labeling requirements and the regulatory process affecting dairy product standards," Kozak noted. "With NMPF's link to dairy producers and its dedication to protecting dairy product integrity, NMPF will be able to provide valuable insight that will allow for growth of the program," he said. While the program will not undergo any immediate changes, Kozak said the process has begun to determine how to make the REAL[®] Seal an even more effective marketing tool for dairy product manufacturers, dairy product processors, food processors and food service providers.

"Consumers continue to express an interest in food quality and integrity, through the choices they make at grocery stores and restaurants," Kozak said. "Labeling is an integral part of creating and maintaining a dialogue with them."

CWT Assisted Exports Mount, Offset Milk Production Growth

March was another busy month for the <u>Cooperatives Working Together</u> (CWT) Export Assistance program. CWT received 78 requests for assistance from member cooperatives, and agreed to provide assistance on 72 of the requests: 42 for cheese totaling 10.9 million pounds, and 30 for butter totaling 10.3 million pounds. The CWT-assisted exports in March bring the product totals for 2012 to 37.8 million pounds of cheese and 33.3 million pounds of butter sold by member cooperatives to customers in 19 countries on four continents. On a milk equivalent butterfat basis, these exports equal 1.075 billion pounds. That is equal to nearly 60 percent of the increase in milk production for the first two months of the year.

Historic Free Trade Agreement Takes Effect; U.S.-Korea FTA Now in Force

NMPF joined the <u>U.S. Dairy Export Council</u> (USDEC) last month in welcoming the launch of the Korea-U.S. Free Trade Agreement (KORUS), the most economically significant U.S. free trade agreement (FTA) in nearly two decades. Thanks to this historic agreement, Korean consumers will now have greater opportunities to access high-quality dairy products from the United States.

"The first-year access alone that KORUS provides for dairy food products equates to 270 million pounds of U.S.-produced milk. That's 4,435 loads of milk coming from America's hard-working dairy farmers to meet Korea's growing demand for safe and nutritious dairy products," said Jerry Kozak, President and CEO of NMPF.

"The United States has become an important supplier of cheese and other dairy products to Korea over the last few years," said Tom Suber, President of USDEC, which, along with NMPF, took the lead role in working with U.S. government officials to represent industry interests during trade negotiations. "We believe KORUS provides a valuable opportunity for our members to strengthen their ties to Korea and for us to work with the broader Korean dairy industry to grow consumption of dairy products."

The FTA provides immediate zero tariff access for whey for feed use, as well as duty-free access for a total of 16,000 tons of cheese, milk powders, whey for food use and other products. The agreement also calls for most of Korea's remaining tariffs to be phased out in 5-10 years.

Details on the terms of KORUS can be found on the <u>website of the U.S. Foreign</u> <u>Agriculture Service</u>. Further information specific to <u>cheese</u> and <u>whey</u> products can also be found online.

New Consortium Seeks to Protect the International Right to Use Common Food Names

A number of food producers and dairy organizations have launched the <u>Consortium for</u> <u>Common Food Names</u>, an international initiative that seeks to stop efforts to restrict



the use of generic food names, including such efforts by the European Commission.

The new consortium opposes any attempt to monopolize generic names that have become part of the public domain, such as parmesan, feta, provolone, bologna, salami and many

others, as well as terms used by winemakers such as "classic", "vintage", "fine" and "superior". The consortium will seek to foster the adoption of an appropriate model that protects legitimate GIs like "Parmigiano Reggiano" while preserving the right of all producers to use common names like "parmesan".

The consortium is not opposed to proper geographical indications (GIs), like "Camembert de Normandie" and "Brie de Meaux" cheeses from France, and "Clare Island Salmon" from Ireland. For some specialized products such as these, made in a specific region, it has made sense for the European Commission (EC) to protect the regional name to help preserve the unique nature of that product. In fact, products from other parts of the world – such as Washington State Apples, Idaho Potatoes, Valle de Colchagua wine from Chile, or Thai Jasmine Rice – may also benefit from similar protection. The consortium supports these types of terms as a tool to promote distinctive products.

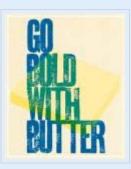
"No one country or entity should own common food names," said Jaime Castaneda, executive director of the new initiative, and senior vice president of trade policy at the U.S. Dairy Export Council. "If such efforts are successful, consumers will no longer recognize many of their favorite foods. Producers around the world will be forced to consider relabeling potentially billions of dollars' worth of food products.

Many well-known foods trace their origins to Europe, but thanks to decades of trade and the emigration of individual food artisans, these products are now made and enjoyed throughout the world. Over time, this has greatly increased the popularity of European varietals like parmesan and salami, to the commercial benefit of European and non-European producers and consumers alike.

The consortium will work to inform consumer groups, farmer associations, manufacturers, and agricultural, trade and intellectual property officials of the damage that will be caused in their own countries if efforts to restrict the use of common food names go unchecked. It will also work with these groups to protect common food names in domestic regulations and international agreements. Importantly, it will work to develop a clear and reasonable scope of protection for GIs by working with leaders in agriculture, trade and intellectual property rights; and foster adoption of high-standard and model GI guidelines throughout the world.

The Consortium will be holding a reception on April 12th in Milwaukee, WI after the International Cheese Technology Exposition in order to provide the opportunity for anyone interested to learn more about this initiative. The reception will be held at 4:00 – 5:00 pm in the Oak Room of the Hilton Milwaukee City Center Hotel. NMPF members, press and others interested in the consortium are welcome to attend.

Social Media Campaign to Highlight Versatility, Value of Butter to Consumers



Butter marketers will use a variety of social media tools in 2012 to better connect their product with consumers, as word-of-mouth marketing assumes a greater degree of importance in the dairy category.

The centerpiece of the campaign will be a new blog, "<u>Go Bold</u> <u>With Butter</u>," which will serve as a virtual kitchen where consumers can interact with a team of butter enthusiasts who will tout the value and versatility of butter.

Nine dedicated bloggers were recruited to generate content for the blog, including recipes, photos, and videos. Each will

offer a unique perspective on the best way to create satisfying food experiences centered on butter. A GoBoldWithButter <u>Facebook page</u> and <u>Twitter profile</u> have also been established to complement blog activity. The Facebook page and Twitter profile

will share general "GoBoldWithButter" messaging, recipes and content, and help drive traffic back to the Real Butter blog, especially for seasonal cooking themes. The campaign will also use a <u>Pinterest page</u>, as that social media site is rapidly growing in popularity among users that this campaign is targeting.

"The preparation and enjoyment of food is one area of life where people's experiences and expectations are very personal, and social media tools are perfect to help amplify those feelings," said Mark Korsmeyer, President of the American Butter Institute (ABI). "Butter marketers will greatly benefit from this new campaign, because it will create real connections among butter enthusiasts, while helping to educate a new generation about why butter is best for cooking and baking."

Each of the nine blog contributors brings a different style and perspective, but they are all passionate about creating memorable dishes to share with their friends and families.

The promotion of the blog and its digital companions is largely driven by online advertising. This includes targeted online and Facebook ad executions to fulfill advertising support of the Go Bold With Butter blog with a seasonal emphasis. The <u>Butterisbest.com</u> website will be updated five times throughout the course of the campaign corresponding with seasonal messaging for the GoBoldWithButter campaign. The Butter is Best e-newsletter will also be updated to correspond with the new campaign and distributed quarterly.

Irv Holmes, Chair of ABI's Marketing Committee, said: "At a time when we're witnessing new trends in cuisine – an emphasis on simplicity and authenticity, coupled with a curiosity about bold new flavors – we need to help connect those who have a do-it-yourself ethic with our products. Go Bold With Butter, leveraged across a variety of social media platforms, is a new type of marketing to help engage these consumers."

Go Bold With Butter is presented by America's Dairy Farmers[®] in partnership with the Wisconsin Milk Marketing Board.

Application Deadline Approaching for 2012 Scholarship Program

NMPF will continue accepting applications for its National Dairy Leadership Scholarship Program until Friday, May 4. Any graduate student (enrolled in Master's or Ph.D. programs) actively pursuing research of direct benefit to milk marketing cooperatives and dairy producers is encouraged to apply. (Applicants do not need to be members of NMPF to qualify).

Scholarship recipients will be selected by NMPF's Board of Directors in June and notified soon afterwards. 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 and Journalism, 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 received after Friday, May 4 will not be eligible for consideration. For an application or more information, please <u>visit the</u> <u>NMPF website</u> or call the NMPF office at 703-243-6111.

NMPF Report Features Organization's Achievements from Past Year

Last month, NMPF released its 2011 Activities and Accomplishments Report, which recounts the organization's various achievements throughout the past year. The new report highlights important issues ranging from economic policy, government relations, food safety, nutrition, animal health, and standards and labeling. It also highlights

