



National  
Milk Producers  
Federation

# News for Dairy Co-Ops

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May 29, 2007

Volume 65. No. 11

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## Market Prices

### **NMPF Pleased Overall With Initial Action On House Farm Bill** Representative Gillibrand Seeks Dairy Farmer Protections

NMPF is generally pleased with the outcome of today's discussion by the House Livestock, Dairy and Poultry Subcommittee about what to include in the 2007 Farm Bill, although additional provisions will need to be addressed as the legislation winds its way through Congress.

"The new Farm Bill took its first baby steps today, but it has a long way to go before it can run," said Jerry Kozak, President and CEO of NMPF. "We appreciate the hard work that Subcommittee Chairman Leonard Boswell (D-IA) and his colleagues have invested in this process, and we will continue to work with them and others on the Agriculture Committee as the bill continues its progress."

The subcommittee included as the primary dairy producer safety net a major revision of the dairy price support program, one that NMPF had suggested to the committee earlier this spring. The panel also included other provisions supported by NMPF, including a reauthorization of the Dairy Export Incentive Program, language requiring the U.S. Department of Agriculture to account for its inventory reporting procedures on nonfat dry milk, and provisions that requiring the USDA to expedite the hearing process for making changes in Federal Milk Marketing Orders.

In addition, NMPF's efforts to include a direct payment program for farmers in this Farm Bill received strong support today from Boswell and others members of the Subcommittee, such as Reps. Kagen and Gillibrand, who discussed the need for a farmer payment program, and pledged to work to secure a funding baseline for it.

Although the Subcommittee's legislative language did not address the dairy import assessment, Kozak expressed great confidence that the promotional checkoff on all dairy imports will be included in the full House Agriculture Committee deliberations this summer. The import assessment updates the domestic dairy checkoff so that it applies to imported dairy products as well, as is the case with most other agricultural commodities' checkoff programs.

The subcommittee's discussion also included language creating a permanent forward contracting program for producers who sell milk in classes II, III and IV. The Federation does not support making the program permanent; rather, it should expire once the farm bill itself sunsets. NMPF also advocates the inclusion of several farmer-friendly protections as part of the forward contracting measure - stipulations that are not included in the version of the farm bill approved by the Dairy Subcommittee.

"We have serious reservations about the absence of producer safeguards in this measure, and we will be fighting in the coming months to ensure that those safeguards are ultimately part of the Farm Bill," Kozak said. "Our support for forward contracting is conditioned on getting those protections included with the overall Farm Bill."

He expressed gratitude for the efforts of Rep. Kirsten Gillibrand (D-NY), who raised similar concerns during discussion of the forward contracting program, saying that Gillibrand "clearly understands the need to create a forward contracting program that takes into consideration the needs of family dairy farmers, and we expect that she and other like-minded members of Congress will successfully address those needs as this bill proceeds from here."

A full copy of NMPF's farm bill package can be found at [www.nmpf.org](http://www.nmpf.org).

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## Immigration Update

The U.S. Senate has agreed to take up debate and action on comprehensive immigration reform. The proposed Senate Bill 1348, although subject to some amendments, would address 1) enhanced border security, 2) increased enforcement of employer prohibitions in hiring illegal immigrants, 3) a transition to legal status of the 12 million illegal aliens currently in the U.S., and 4) provisions for future temporary worker programs to fill jobs where there are insufficient U.S. workers.

S. 1348 contains AgJOBS, the legislative language providing a reasonable path forward for agricultural workers. It also contains a provision that makes the guest worker program more workable for dairy producers, given the year-round need for labor in our industry. The legislation satisfies the key criteria that NMPF's Board laid out as vital to a beneficial immigration reform bill.

The legislation is facing attack from all sides, but it is a good path forward on the immigration issue for the dairy industry and the rest of agriculture. Because of this, NMPF will be strongly supporting it and I urge you to do the same. The Senate needs to hear from the dairy producer community that we want to see the comprehensive approach to immigration reform taken by S. 1348 move forward without further delay.

Visit the [Dairy GREAT website](#) for talking points and instructions on how you can contact your Senators in support of AgJobs.

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## U.S. and Canadian Now Share BSE Status

The World Organization for Animal Health (OIE) has given both Canada and the U.S. the same risk status for mad cow disease, or bovine spongiform encephalopathy, which could add impetus for the U.S. to fully reopen itself to Canadian cattle imports.

On May 22, 2007, the OIE formally classified the United States and Canada as a "controlled risk country for BSE. The classification confirms that regulatory controls are effective in controlling BSE. USDA will use the new OIE classification to urge trading partners to reopen export markets to the full spectrum of U.S. cattle and beef products.

With Canada obtaining the same classification as the U.S., we expect increased efforts to re-open the border to Canadian animals older than 30-months of age. NMPF believes the OIE classification is appropriate to allow importation of animals of any age from Canada directly for slaughter, but not animals for breeding or herd replacement purposes.

Estimated BSE prevalence in the Canadian cattle population is at least seven times that of the U.S. Under USDA's own BSE model predictions for re-opening the border to

animals for replacement of breeding purposes, 21-180 new BSE infected animals will be identified due to importation of cattle from Canada over the next 20 years. Under the Animal Health Protection Act, the Secretary of Agriculture may prohibit the importation of any animal or article if the Secretary determines that the prohibition is necessary to prevent the introduction into or dissemination within the United States of any pest or disease of livestock. NMPF believes that the BSE situation in Canada is such that an animal could be imported into the U.S. and, if allowed to reside amongst the U.S. dairy herd, introduce or disseminate BSE in the U.S. This is evident by the number of cases of BSE from animals born after the Canada's implemented ruminant feed ban. Canada's most recent BSE case was identified on May 2, 2007 in a 66-month old dairy cow in British Columbia.

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## 2007 NCIMS Summary

The National Conference on Interstate Milk Shipments (NCIMS) met in Salt Lake City, UT earlier this month to address the proposals submitted to revise the Pasteurized Milk Ordinance (PMO) and its related documents. NMPF staff and many NMPF members attended the Conference to advocate positions of interest to dairy cooperatives and their producer members.

Overall, the 2007 Conference was very positive for all parties and the dairy industry should be pleased with the outcome. Several of the proposals of significance are detailed below.

The following proposals passed:

- Establish a study committee to examine how to prevent cow share programs that circumvent the existing prohibitions against raw milk sales to consumers. This committee will examine existing statutes and report back to the next Conference (2009).
- A number of equipment related proposals were passed that will clarify the PMO requirements and provide more options in processing for industry while still maintaining product protections.
- The study committee that is examining the criteria for inclusion of products under the PMO was given expanded work to develop the criteria within 6 months and issue the recommendations through a Memorandum of Interpretation from FDA. A number of dairy beverages and like-products have been introduced into the market place and it is unclear as to whether they should be regulated as Grade "A" or not. This committee will develop criteria to examine these products and make the determination as to which products should be regulated by the PMO and which should not.

The following proposals were not passed:

- Requiring seals on tankers. This proposal would have mandated the already prevalent voluntary industry program and could have created a large reporting program for producers and processors to manage.
- A number of proposals to not require pasteurization of milk. These could have allowed the currently problematic raw milk sales situation to become even more widespread.

Elections of the Executive Board also occurred at the Conference. John Beers, Virginia Department of Agriculture and Consumer Services, was elected as Chairman and Don Breiner, Land O'Lakes, was re-elected as Vice Chairman. For a complete summary of



