



National  
Milk Producers  
Federation

# News for Dairy Co-Ops

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## Market Prices

### House Of Representatives Approves Farm Bill Legislation Containing NMPF Provisions NMPF to Shift Focus to Senate to Support Development of Similar Package

The House of Representatives gave final approval to a new farm bill containing all of the major elements that the National Milk Producers Federation had sought when the process of writing a farm bill in Congress began earlier this year.

After turning back a challenge led by Rep. Ron Kind to replace mainstream farm programs with a radical alternative, the House approved the farm bill written by the House Agriculture Committee by a vote of 231 to 191.

The vote Friday "is the culmination of months of hard work by our members, who were steadfast in pressing for a farm bill that is as diverse and vibrant as the dairy industry itself - and one that will help keep our industry vibrant in the future," said Jerry Kozak, President and CEO of NMPF.

He said that NMPF would now shift its efforts to the Senate, which has yet to develop its own farm bill. Kozak said that the Senate "should take a good look at the many positive elements in the House bill, with an eye toward making a good bill even better in the Senate."

In terms of dairy policy, the House farm bill contains a revised dairy price support program; an extension of the Milk Income Loss Contract program; language to finally implement the dairy checkoff on imported dairy products; a forward contracting program with significant producer protections; a requirement that the U.S. Department of

Agriculture expedite the Federal Milk Marketing Order hearing process; a provision creating a new commission to review milk pricing regulations; a provision stipulating that the USDA fully use the Dairy Export Incentive Program; and additional funds for the Environmental Quality Incentives Program, as well as conservation funding for energy-related practices that directly affect dairy operations. Finally, the bill adds resources for nutrition programs, ensuring that sufficient funding for dairy foods in these programs is maintained.

"Dairy farmers and their cooperatives are thankful for the leadership of Agriculture Committee Chairman Collin Peterson (D-MN)," said Kozak, in praising the work of Rep. Peterson as the bill made its way from the committee to the full House. Kozak also lauded the substantial efforts of the other members of the Agriculture Committee "for their consideration and understanding of the priorities and interests of dairy farmers across the country."

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### IDairy Receives \$1 Million From USDA To Move Forward Registering

## Premises In The Dairy Industry

The U.S. Department of Agriculture announced that NMPF will receive a grant of up to \$1 million intended to register dairy premises under the National Animal Identification System (NAIS). NMPF will use the money to work with its IDairy coalition partners to further the registration effort.

Since IDairy was established in 2005, over 30,000 dairy producers have registered their premises under the NAIS, but as many as 35,000 commercial dairy operations are yet to be registered. IDairy's goal is to have 100 percent of the operations registered in order to enable animal health officials to quickly respond to an animal health emergency.

"This agreement is another important step forward as we advance the National Animal Identification System," said Bruce Knight, under secretary for USDA's marketing and regulatory programs. "It builds on agreements previously announced with the National Pork Board, the National FFA Organization and the U.S. Animal Identification Organization to promote animal health by providing producers with the information they need to take the important step of registering their premises and protecting their animals."

Under the agreement announced August 2nd, NMPF, with the cooperation of the rest of the IDairy consortium, will conduct an outreach campaign including direct mail, advertising, Internet activities, dairy trade show presentations and individual contacts with producers including on-site visits.

"All of the organizations involved with IDairy look forward to working with USDA to promote premises registration as part of the NAIS," said Jerry Kozak CEO/President NMPF. "We feel that with our broad industry connections, we can make a powerful impact through this agreement. NAIS is an important part of our dairy industry's national insurance policy against animal disease outbreaks."

Kozak said that IDairy is pleased to be working with the federal government on this project, as both organizations are committed to the concept of having a national animal identification program.

NAIS consists of three components: premises registration, animal identification and tracing. Earlier this year, USDA announced the availability of \$6 million for cooperative agreements, subject to availability, to support nonprofit agricultural organizations to promote NAIS and to increase participation in premises registration. NMPF will receive just over \$1 million of that for dairy outreach activities.

IDairy was formed in 2005 by NMPF, American Jersey Cattle Association, Dairy Calf & Heifer Association, the Holstein Association USA, National Association of Animal Breeders and National Dairy Herd Improvement Association to promote NAIS in the dairy industry.

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## Annual Meeting Update

The program for the 2007 joint NMPF-National Dairy Board- United Dairy Industry Association Annual Meeting will feature dynamic and informative speakers from the worlds of sports & entertainment and politics as well as the dairy industry. This year's multi-faceted program will include the Orlando Magic's General Manager Pat Williams, along with former Florida governor and Senator Bob Graham and Leprino Foods CEO Larry Jensen. The Annual Meeting will be held at the Walt Disney World Dolphin hotel in Orlando Florida, November 12 - 14. Watch your mailboxes for the meeting

announcement and registration materials coming soon.

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## **Federal Order Task Force Meets**

NMPF's Federal Order Task Force met recently to continue progress on their extensive agenda regarding the Federal Order hearing process, price discovery, transportation cost recovery, manufacturing costs, and classified pricing.

The all-day meeting in Chicago on July 24 also featured representatives from the cheese and fluid milk processing sectors who discussed their ideas on Federal order regulation.

In addition, the Task Force recommended that USDA move all responsibility for the mandatory dairy product price survey from the National Agricultural Statistics Service (NASS) to the Agricultural Marketing Service (AMS). This is a response to USDA's recent interim rule that moves audit and verification functions to AMS, but leaves the initial data collection with NASS. In light of recent difficulties with this data collection and AMS' success with mandatory livestock reporting, the Task Force concluded that AMS should take on sole responsibility for the dairy product reporting, for as long as it is used in Federal order pricing.

Finally, the Task Force advanced their deliberations concerning the feasibility of an alternative to the current dairy product price formulas. The Task Force, chaired by Foremost Farms' CEO Dave Fuhrmann, was appointed by NMPF Chairman Charles Beckendorf to address Federal order issues generally, but especially to seek such alternatives; this will be the focus of the next meeting. If you have questions, please contact [Roger Cryan](#).

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## **EPA Extends Clean Water Act Deadlines for Animal Feeding Operations**

To respond properly to citizen comment on a federal court order, EPA announced a final rule extending certain compliance deadlines from July 31, 2007 to Feb. 27, 2009 for concentrated animal feeding operations (CAFOs).

One extension applies to water pollution permit application deadlines for certain facilities that EPA defined as CAFOs for the first time in 2003. The other extension relates to when CAFOs that have a Clean Water Act permit are required to develop and implement their nutrient management plans (NMPs). An NMP is a plan that specifies the amount of manure that can be applied to crops so the potential for nutrient runoff to water bodies is minimized.

Until NMPs and other aspects of the regulation can be implemented in accordance with the court ruling, state and existing federal rules unaffected by the court ruling will continue to protect water quality.

These actions are extensions of the deadlines originally promulgated in the 2003 rule. The extensions are necessary to ensure that EPA finalizes the 2006 CAFO rule in response to the court decision before the compliance dates come into effect. These extensions will allow EPA time to respond adequately to a wide array of public comments on the court decision and will also provide time for states and the agricultural community to adjust to the new requirements of the 2006 proposal once it goes final.

EPA is encouraging its regional offices and States to continue to implement their existing regulatory programs while the agency's response to the court decision is being finalized.

For further information, visit [EPA's Animal Feeding Operations Web page](#).

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## **Associate Member Focus: The Dairy Institute of California**

The Dairy Institute of California is a non-profit trade association that represents milk and dairy processors in California on legislative and regulatory matters at the state and federal levels.

The Institute's office is located in Sacramento, California. In addition to an Executive Director and Economist, the Institute also provides the services of legal counsel. The Dairy Institute is governed by a Board of Directors elected at the annual membership meeting. The Board meets at least three times annually - February, May, and November - and other times as necessary.

Dairy Institute's representative is Rachel Kaldor. To learn more about them, please visit their [website](#).

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