

In This Issue

[Dairy Production Up](#)

[Farm Bill Hearings](#)

[NYS Budget Restores Critical Ag Programs](#)

[NH Dept of Ag Set to Regain Funding Source](#)

[New Zealand's Dairy Export Monopoly](#)

[Chile Dairy Industry](#)

[Nutrition Conferences](#)

[Golf For Good Works Tournament](#)

[Welcome New Members](#)

## Dairy Production Up, Market Messages Mixed

The regional variation in dairy production is clear this month as mixed messages are being received by dairy farmers across the country. Land O'Lakes Western (Tulare and Southern California) producers are being told to cut back milk production beginning April 1, or face heavy deducts from their pay prices while New York and Wisconsin producers are being offered incentives to increase production. The reduction in fluid milk consumption nationwide, coupled with overall increase in milk production, is driving the Land O'Lakes action while demand for milk for processing is fueling the need for increased production in the northeast and upper mid-west.

Land O'Lakes Western members who produce above their base volume will be assessed \$10/cwt. Additionally, effective April 1, all Tulare and Southern CA members will be required to reduce production by an additional 6%. Land O'Lakes will increase the premium it pays producers by \$.30/cwt. (above any existing premium) on remaining production, but only if they achieve the targeted volume reduction.

This temporary base volume will be in place for three (3) months beginning April 1, 2012 and extending through June 30, 2012. Beginning July 1, 2012 the company hopes to revert back to its normal base production volumes and the additional premium of \$.30/cwt. will end.

In Wisconsin the Dairy 30x20 program is focused on improving the long-term viability of Wisconsin's dairy industry through services to achieve an annual milk production of 30 billion pounds by 2020 to meet the growing demand of the marketplace. Currently Wisconsin farms only meet 90% of the needs of the state's dairy processing plants and only experienced a 1% growth in production in 2011. The foundation of the Dairy 30x20 Initiative, Wisconsin Act 32, affords an annual appropriation of \$200,000 of the former Dairy 2020 program funding to provide administrative oversight and programming dollars to the Department of Agriculture, Trade and Consumer Protection.

Grow Wisconsin Dairy Grants will be available to retain farms, facilitate operation changes, improve profitability and yield more milk. The grants will pay for Planning & Preparation Teams to help farms meet business development and expansion needs and Dairy Profit Teams to improve management of existing operations and identify opportunities to improve profit.

Additionally, the state will provide tax credits to dairy producers and processors who expand or upgrade their facilities. The Dairy Investment Tax Credit and the Beginning Farmer & Farm Asset Owner Tax Credit provides a refundable income tax credit for established farmers based on 15% of the annual cash lease payments of depreciable agriculture assets. For the beginning farmer, there is a \$500 refundable educational credit, applicable towards the tuition costs of farm financial management courses taken during the calendar year for which the credit is being claimed. Incentives for dairy processors include Dairy Manufacturing Facility Investment Credit to modernize or expand dairy manufacturing facilities in Wisconsin and the Food Processing Plant & Warehouse Investment Credit to modernize or expand food processing plants or food warehouses in Wisconsin.

In New York U.S. Senator Charles E. Schumer has announced new legislation that will provide New York dairy farmers, who wish to expand their operations to meet the demand being fueled by the Greek yogurt boom, with the financial tools they need. Schumer plans to introduce legislation, the DAIRY (Dairy Augmentation for Increased Retail in Yogurt products) Act that will allow farmers, who purchase cows that are already in production, to write off the cows as a capital expense lowering their overall tax burden. Schumer's bill would also establish federal savings accounts targeted to farmers to help them save and grow during



Board of Directors:

Art Whitman

**President**

802-442-2851

[art@whitmansfeed.com](mailto:art@whitmansfeed.com)

Rob Sheffer

**Vice President**

518-429-2860

[rob\\_sheffer@cargill.com](mailto:rob_sheffer@cargill.com)

Richard Casler

**Secretary**

518-478-7850

[rcasler@feedcorp.com](mailto:rcasler@feedcorp.com)

Al Ames  
**Treasurer**  
 802-917-3233  
[al\\_ames@yahoo.com](mailto:al_ames@yahoo.com)

John Mitchell  
**Immediate Past President**  
 315-725-2843  
[jmitchell50@gmail.com](mailto:jmitchell50@gmail.com)

**- Directors -**

Mark Anderson  
 315-247-7176  
[manderson@diamondv.com](mailto:manderson@diamondv.com)

Barry Baetz  
 585-457-9471  
[barry.baetz@nutreco.ca](mailto:barry.baetz@nutreco.ca)

William Colten  
 315-701-4482  
[splitty8@aol.com](mailto:splitty8@aol.com)

Kevin Crane  
 315-797-1300  
[kcrane@harborptm.com](mailto:kcrane@harborptm.com)

Andy Dugan  
 603-437-3400  
[andy.dugan@blueseal.com](mailto:andy.dugan@blueseal.com)

Jeff Durkin  
 716-652-4177  
[jeff.durkin@verizon.net](mailto:jeff.durkin@verizon.net)

Doug Galliford  
 585-343-2416  
[degalliford@landolakes.com](mailto:degalliford@landolakes.com)

Dr. Rick Grant  
 518-846-7121  
[grant@whminer.com](mailto:grant@whminer.com)

Scott Hodgson  
 802-458-3916 ext. 228  
[shodgson@feedcommodities.com](mailto:shodgson@feedcommodities.com)

Peter Karnezos  
 802-999-4634  
[pkarnezos@comcast.net](mailto:pkarnezos@comcast.net)

Josh Poulin  
 802-334-6731  
[jjpoulin@poulingrain.com](mailto:jjpoulin@poulingrain.com)

Mike Tetreault  
 802-334-6731  
[mtetreault@poulingrain.com](mailto:mtetreault@poulingrain.com)

booms and to weather market downturns. The accounts would be structured to reward savings during periods when business is strong and defer taxes on those savings until farmers must withdraw funds to cover new expenses or manage cash flow.

## Feed Industry Active in Farm Bill Hearings: Testimony Submitted

As activity increases around development of the 2012 Farm Bill the Northeast Ag and Feed Alliance and the Vermont Feed Dealers have provided input on several areas critical to northeast farmers. At a hearing held earlier this month in Saranac Lake, Alliance Executive Director Rick Zimmerman submitted a letter from Alliance President, Art Whitman. In the letter Whitman voiced support for ongoing funding of many programs to assist farmers with environmental quality, energy efficiency, land conservation and risk management. Whitman wrote in detail about the need for dairy policy reform. "Dairy pricing reform is of utmost importance to reduce the volatility experienced by the dairy industry for the past several years. The hard work conducted by many producer groups to develop outlines for various margin insurance programs, coupled with a market stabilization structure, is commendable and has provided several options for meaningful reform," Whitman wrote in his comments.



*A panel of farmers testifies before the House Agriculture Committee field hearing. L to R: Eric Ooms, dairy farmer, Old Chatam, NY; Neal Rea, dairy farmer, Salem, NY; Jeremy Verratti, dairy farmer, Gasport, NY; Michele Ledoux, beef producer, Croghan, NY*

On March 23rd the Alliance joined with approximately 100 groups throughout the northeast to voice on-going support for the Farm and Ranchland Protection Program (FRPP), another Farm Bill funded initiative. Recognizing the importance of FRPP as a partner with state and local governments and private land trusts, the letter stated that collectively the partners and the federal government have invested more than \$1.8 billion to protect over 775,000 acres of productive farmland in the region.

Contact Us:

27 Elk Street  
Albany, NY 12207

Phone: 888-445-4595  
Fax: 518-783-1258

[www.northeastalliance.org](http://www.northeastalliance.org)

Rick Zimmerman  
Executive Director  
[zimmerman@zga-llc.com](mailto:zimmerman@zga-llc.com)

Louise Calderwood  
Governmental Relations Director  
[lcaldewod@aol.com](mailto:lcaldewod@aol.com)

Sue Kinner  
Membership &  
Meeting Registration  
[sue@nysta.org](mailto:sue@nysta.org)

On March 23rd the Vermont Feed Dealers submitted a letter to Senator Patrick Leahy as he conducted a dairy specific hearing in St. Albans, Vermont. In his letter, Vermont Feed Dealers President Peter Karnezos commented on the need for appropriate crop insurance programs. Karnezos stated "Crop insurance programs have made substantial headway over the past twenty years to be useful to a wide variety of farmers across diverse geographical and climatic conditions. Continued improvements to crop insurance programs should address ease of application, value of policies, and worth to farmers with varied markets for their crops.

The Alliance will continue to follow developments as the Farm Bill debate unfolds towards a September deadline.



*Members of the House Agriculture Committee at a regional farm bill hearing in Saranac Lake NY. L to R: Chellie Pingree (Me), Bill Owens (NY), David Scott (GA), Collin Peterson (MN), Robert Goodlatte (VA), Michael Conway (TX), Chris Gibson (NY)*

---

### New York Budget Restores Critical Agriculture Programs

New York State lawmakers came to agreement this week to restore some agricultural funding gaps in the State Budget. With active support from the Northeast Ag and Feed Alliance, the State Senate and Assembly agreed to restore funding for the New York Farm Viability Institute to last year's level of \$1.2 million and New York FarmNet to \$484,000. In addition, the Integrated Pest Management program received an additional \$400,000 over the Governor's proposed budget. All of these programs are funding priorities for the Ag and Feed Alliance and were advocated for during legislative meetings February. Other agricultural programs of note are: North Country Ag Development Program: \$500,000, Tractor Rollover Protection: \$100,000, Cornell Rabies Program: \$150,000. The proposal to establish a new dairy research checkoff opportunity was eliminated from the budget.

Senate and Assembly Agriculture Committee Chairs Pattie Ritchie and Bill Magee deserve much thanks for their hard work in restoring these important agricultural programs.

---

### New Hampshire Department of Agriculture Set to Regain Funding Source

In February, Alliance board member Andrew Dugan, submitted a letter to the New Hampshire Senate and House Committees on Executive and Departmental Affairs expressing opposition to proposed funding changes that would decimate the budget for the New Hampshire Department of Agriculture. As written the legislation would have redirected the fees currently raised by the Department of Agriculture to the Department of Public Safety,

a move that would have essentially eliminate all of the Department's functions.

The New Hampshire Department of Agriculture, including the Division of Weights and Measures, is a highly valued asset to Alliance members. Our members in New Hampshire have especially benefited from the professional, competent and helpful service provided by staff of several divisions of the department-including Regulatory Services, Pesticide Control, Plant Industry, Animal Industry and the Division of Weights and Measures.

During the week of March 20, the New Hampshire Senate Finance Committee deleted all the language in the bill that would have removed funding from the Department and added language to restore the commissioner's authority to set fees by rulemaking. Actions taken by the Alliance and other New Hampshire agriculture advocates protected business owners who depend on appropriate licensing, registrations, and inspections to maintain normal business performance.

### [New Report on New Zealand's Dairy Export Monopoly Highlights US Concerns About Expanding US-New Zealand Dairy Trade](#)

A new report on the anti-competitive practices, pervasive in the New Zealand dairy industry, highlighted why the U.S. dairy farmer sector is so concerned with including U.S.-New Zealand dairy trade in a potential Trans-Pacific Partnership (TPP) free trade agreement (FTA). Prepared by the U.S. Dairy Export Council (USDEC) the report was provided confidentially to the U.S. Trade Representative's Office and the U.S. Department of Agriculture. The report notes that New Zealand's largest company, Fonterra, has been provided special privileges by the government that enable it to maintain a roughly 90% market share of milk produced in New Zealand. This advantageous position has given this single dairy company direct control of more than one third of world dairy trade, without even accounting for the additional sales controlled through its many production and distributor relationships around the world.

Most US dairy producer groups have been strongly supportive of the overall TPP negotiations, working to pursue favorable opportunities where they exist for U.S. dairy producers. The possible future inclusion of dairy negotiations with Japan and Canada are among the most significant new openings TPP could ultimately offer, although it is not yet clear if or when those countries will join TPP and under what terms.

However, most producer groups have been equally clear about dairy producers' continued vehement opposition to any expansion of U.S.-New Zealand dairy trade as part of that effort, given New Zealand's dairy market concentration and its dominating firm's tremendous global market power. It is estimated that U.S. dairy farmers could face \$20 billion in losses during the first decade of the FTA if U.S. dairy tariffs are fully eliminated for New Zealand's benefit.



## Chile Dairy Industry Poised For Export Market

The dairy provisions of the US-Chile Free Trade Agreement stipulate abolishment of the 1.3% import tariff on Chilean dairy products in 2012. With rapid dairy production expansion by New Zealand owned dairy conglomerates Manuka and Saprole, Chile is eyeing the US market as a home for its exploding milk production.

In 2010 Chile shipped dairy products to 43 countries, led by Mexico with 36.5 percent of sales, followed by Venezuela (17.4%), Peru (9.3%), the United States (7.4%), and Brazil (6.7%). The Chilean dairy industry is now looking to expand further. Its next challenge includes Saudi Arabia, the United Arab Emirates, Turkey, Russia, and China, high-demand markets that will require the industry to meet even more stringent quality and volume goals.

The bulk of the Chilean dairy exports are produced by Manuka and Saprole, both newcomers to Chilean dairy production. Lured by low land prices, easy access to labor, fertile soils and a temperate climate, the two New Zealand owned businesses have rapidly expanded over the past 10 years with plans for ongoing, rapid growth.

Soprole's strategy is to expand into countries that have preferential tariff systems with Chile, such as Mexico, which takes much of its cheese exports, the US and now Korea, China and Singapore. The recently signed free-trade agreement with Japan may open up more sales, but the big opportunity is sure to be the huge US market where tariffs will be completely eliminated in 2012. Over the past six years Saprole, which is 57% owned by Fonterra, has increased its milk production by nearly 12% annually and intends to double production to four billion liters by 2020.

The Manuka company began operations in Chile in 2005 and now boasts 13 farms employing 340 people. Speaking at the Dairy Innovators Forum 2011, in Australia, one of four company directors, Arthur Bryan, said shareholder returns were now 3.5 per cent and real growth and asset value was expected to double in value in the next three to four years. After first buying 180 hectares in Chile in 2005, Manuka now owns 22,500ha. The company production is forecast to exceed 223 million pounds of milk in 2012. By 2019 the target is to reach 43,000 cows producing 250 million liters annually on the present land-holding. In addition to his Chilean investment, Mr. Bryan owns dairy farms in Waikato, New Zealand with 1400 milking cows.

## INDUSTRY NEWS

### Herd Health and Nutrition Conferences Fast Approaching

Don't forget to take advantage of two excellent conferences featuring nationally known speakers addressing timely herd health and nutrition issues.

April 3rd in Syracuse, NY  
and  
April 5th in West Lebanon, NH

9:00 am to 3:15 pm  
Lunch and proceedings included

These identical conferences, co-sponsored with PRO-DAIRY, are designed to give you the latest research results on topics challenging your customers in the dairy industry.

There is still time to register online at: [www.northeastalliance.com](http://www.northeastalliance.com)

***Walk-ins are welcome ... Four CEU's from ARPAS will be available***

Here's a rundown of the program:

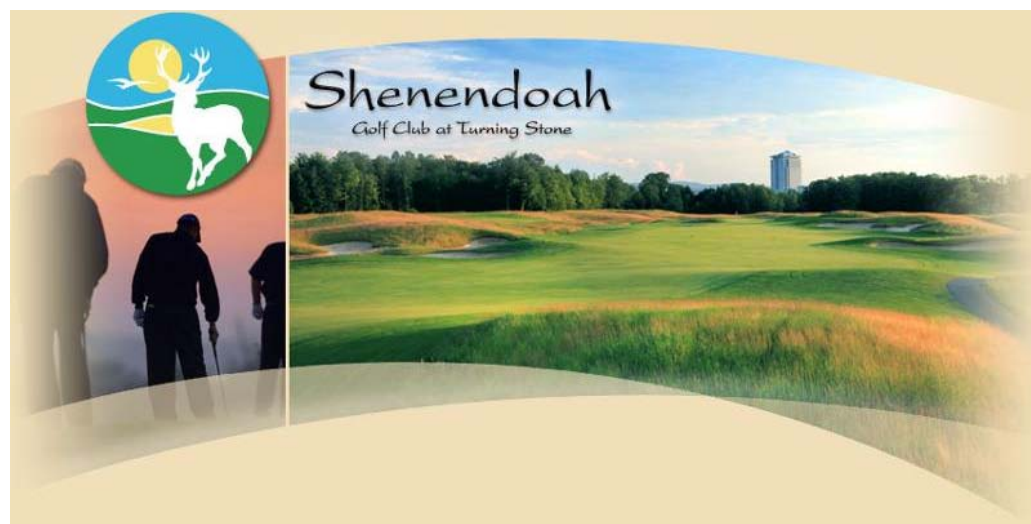
*Cow Comfort Assessments and Their Implications: Dr. Marina von Keyserlingk, University of British Columbia*

*Fresh Ideas for Fresh Cow Nutrition and Management: Dr. Heather Dann, Miner Institute*

*Minerals and Vitamins: Magic Bullets of Just Bullets?: Dr. Bill Weiss, Ohio State University*

*A New Perspective on Feeding Dairy Heifers: Promoting Good Health, Efficiency and Behavior: Dr. Trevor DeVries, University of Guelph*

If you have not already registered  
Don't Delay ... Register Today!  
[www.northeastalliance.com](http://www.northeastalliance.com)



### "Golf For Good Works"

### 6th Annual Tournament - June 29, 2012

Mark Your Calendars for the Northeast Ag and Feed Alliance's 6th Annual "Golf for Good Works" Tournament, June 29, 2012, at the Turning Stone Resort in Verona, New York. Funds raised for this event will go to support agricultural outreach and education programs. Last year we supported the Northeast Regional Intercollegiate Dairy Challenge, New York FarmNet, and the Vermont Farm Disaster Relief Fund.

Sponsorships are now available! Please visit our website at [www.northeastalliance.com](http://www.northeastalliance.com) or contact Sue Kinner (sue@nysta.org) for more information.

### Welcome New Members

***A very warm welcome goes out to 11 new members!***

John Franklin  
Energy Feeds International / Burnett & Company  
(502) 664-9879      j101franiklin@gmail.com

Peter Jacobson  
Feed Commodities International, Inc.  
(802) 279-7517      pjacobson@feedcommodities.com

Bill Kipp, MS  
Independent Dairy Consultants  
(802) 777-0249      kippwj@comcast.net

Chris Pierpont  
Interstate Commodities, Inc.  
(518) 272-7212      cpierpont@icigrain.com

Owen Bewley  
Prince Agri Products, Inc.  
(217) 257-8018      owen.bewley@princeagri.com

Dale Anderbery  
Archer Daniels Midland Company (ADM)  
(800) 523-0908      anderbery@adm.com

Kurtis Lee Thomas  
Archer Daniels Midland Company (ADM)  
(315) 776-4811      kurtis.thomas@adm.com

John Osborne  
Milk Specialties Global Animal Nutrition  
(847) 612-2639      josborne@milkspecialties.com

Marty Brady  
Milk Specialties Global Animal Nutrition  
(847) 612-2640

Dr. Dave Kirk  
Milk Specialties Global Animal Nutrition  
(608) 509-3007      dkirk@milkspecialties.com

Christine Davis  
Buffalo Molasses, LLC  
(585) 567-2106      buffmolasses@yahoo.com

---

Remember, if you missed one, past issues of NEAFA News are always available on our website at:

[www.northeastalliance.com/newsletter.html](http://www.northeastalliance.com/newsletter.html)

---

NEAFA News is a publication of the Northeast Ag & Feed Alliance.

### Calendar of Events:

#### 2012 NEAFA/PRO-DAIRY Herd Health & Nutrition Conference

April 3, 2012  
Doubletree Hotel  
Syracuse, New York

#### 2012 NEAFA/PRO-DAIRY Herd Health & Nutrition Conference

April 5, 2012  
Fireside Inn  
West Lebanon, New Hampshire

#### NEAFA Board of Directors Meeting

April 13, 2012  
Via video downlinks provided by Cargill

#### 2012 Golf For Good Works Annual Golf Tournament

June 29, 2012  
Turningstone Resort & Casino  
Verona, New York

NGFA/Grain Journal - Safety, Health & Environmental Quality  
Grain Grades & Weights Conference

July 26-27, 2012

Westin Crown Center  
Kansas City, Missouri

Vermont Feed Dealers Annual Conference

September 20, 2012

Double Tree Conference Center  
South Burlington, Vermont

[Forward email](#)



This email was sent to sue@nysta.org by [neafainfo@nysta.org](mailto:neafainfo@nysta.org) |  
[Update Profile/Email Address](#) | Instant removal with [SafeUnsubscribe™](#) | [Privacy Policy](#).

Northeast Ag & Feed Alliance, Inc. | 4 Youngs Place | Latham | NY | 12110

