



NORTHEAST AG & FEED NEWS

February 2011



**2011 HERD HEALTH
AND NUTRITION
CONFERENCE**



March 1-2, 2011 March 3, 2011
Holiday Inn Fireside Inn
Liverpool, NY West Lebanon, NH

The 2011 Herd Health and Nutrition Conferences are next week! Co-sponsored by the PRO-DAIRY Program at Cornell University and the Northeast Ag and Feed Alliance, this conference is an ideal educational opportunity for dairy producers, veterinarians, feed industry representatives and agri-service personnel alike.

The format will be a combination of the former PRO-DAIRY Fall Dairy Conference and the NEAFA Ruminant Nutrition Conference. Topics include animal welfare, calf health and development, reproductive strategies and milk quality.

Online registration and a complete Agenda for both sites is available at: www.northeastalliance.com

Annual Meeting: Advocacy, Collaboration and Education

The combination of speakers, entertainment and networking opportunities provided the foundation for an outstanding 87th Annual Meeting for the Northeast Ag and Feed Alliance. The second year for the event in Albany, New York, the turnout was strong with over 200 participants attending various sessions over three days.

Animal welfare and care programs available to farmers in the Northeast were presented by Leon Graves, DMS and Kathy Finnerty, NYSCHAPS, followed by a presentation on The Politics and Science of Agricultural Use of Antibiotics by Steve Kopperud of Policy Directions, LLC.

New developments in the feed industry were the topic of a presentation by Joel Newman, AFIA President and Ed Gallagher of Dairylea Cooperative spoke on milk price forecasts and the use of risk management tools for Northeast dairy farmers. Tuesdays' session was rounded out by a panel discussion entitled "The Team Approach to Dairy Nutrition: How Today's Dairy Farmers are Building a Team of Experts to Balance Nutritional Requirements and Herd Health," facilitated by Dr. John Ferry, DVM, and featuring Dr. Bob Ladue, DVM; Dr. Robert Corbett, DVM; Pete Gelber, and Paul Knox, dairy farmers.

Trent Loos of Rural Routes Radio was back with the Alliance for his second appearance at the President's Banquet. Loos also taped several radio shows; including a live show on Tuesday afternoon featuring Dr. Tom Overton of Cornell and New York's newly appointed Commissioner of Agriculture, Darrel Aubertine.

Full details of all the presentations, along with additional pictures from the event, can be found at: www.northeastalliance.com

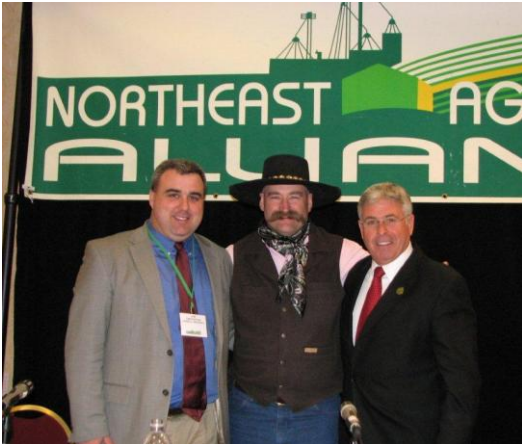


Special Thank You to all the sponsors that made our Annual Meeting possible. We very much appreciate your support. A listing of all sponsors can be found on our website.

ANNUAL MEETING PHOTO GALLERY



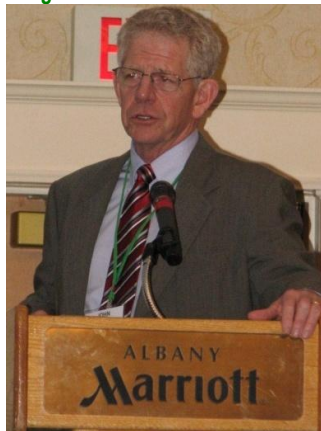
Feed Alliance members met with NYS Senate Agriculture Committee members Cathy Young and Pattie Ritchie, Chair.



Trent Loos' Rural Routes radio show featured Dr. Tom Overton of Cornell University and Darrel Aubertine, Commissioner, NYS Department of Agriculture and Markets



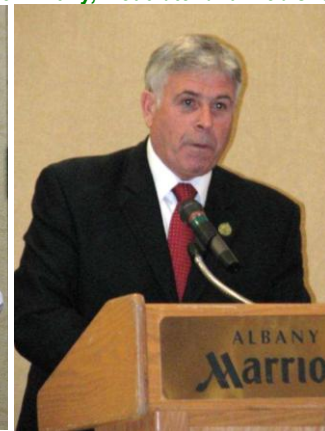
Panel discussion on a team approach to nutrition included: L to R, Dr. Bob Ladue, Paul Knox, Dr. Bob Corbett, Pete Gelber, John Ferry, moderator and Rob Sheffer of Cargill.



President John Mitchell presents his report during the Annual Meeting



Trent Loos delivers an inspirational message during the Annual Banquet



NYS Agriculture Commissioner speaks to Annual Meeting participants



Feed Alliance members met with NYS Assembly Agriculture Committee members including (L to R) Pete Lopez, Linda Rosenthal, Barbara Lifton, Bill Magee (Chair), Addie Russell, and Cliff Crouch.

Alliance Elects New Board Members and Officers

During the Northeast Ag and Feed Alliance Annual Meeting on Monday, February 7th the membership re-elected Mark Anderson of Diamond-V, Bill Colten of Mercer Milling, Barry Baetz of Shur Gain, and Mike Tetreault of Poulin Grain to the Board of Directors. Andy Dugan of Kent Nutrition Group was elected to his first term to the Board. Following the Annual Meeting, the new Board elected its slate of officers as follows: Art Whitman, Whitman's Feed Store, President; Rob Sheffer, Cargill Animal Nutrition, Vice President. John Mitchell, Immediate Past President, will continue to serve on the Executive Committee. Congratulations and thank you to all the members of the board and executive committee for your tireless work on behalf of the Alliance. A special thank you to John Mitchell for his service as President for the past three years.



2011 Northeast Ag and Feed Alliance Board of Directors

L – R: Kevin Crane, Jeff Durkin, Mike Tetreault, Louise Calderwood (Governmental Relations Director), Rick Grant, Peter Karnezos, Barry Baetz, Al Ames (Treasurer), Art Whitman (President), Bill Colten, Rob Sheffer (Vice President), John Mitchell (Immediate Past President), Josh Poulin, Rich Casler (Secretary), Stuart Hall, Mark Anderson, Doug Galliford, Rick Zimmerman (Executive Director) *Absent: Andy Dugan*

Alliance Reaches out to Lawmakers and Regulators

As part of the Northeast Ag and Feed Alliance Annual Meeting several members took the opportunity to meet with New York legislators as part of the Annual Meeting held in Albany February 7 and 8. Nearly 30 Alliance members and staff met with Assemblyman Bill Magee, and members of the Assembly Committee on Agriculture, and with the members of the Senate Agriculture Committee, Chaired by Senator Pattie Ritchie. Also joining the group was the Senate Majority Leader, Dean Skelos. Dr. Tom Overton, Professor of Dairy Science at Cornell University, joined the group to discuss the impact from the proposed elimination of funding for the Pro-Dairy program would have on access to production and management expertise for New York's dairy industry.

In mid January 2011, the Northeast Ag and Feed Alliance contacted newly elected governors and legislators and recently appointed commissioners of agriculture throughout the Northeast. John Mitchell, the Alliance President said "It is critical that we maintain contact with state officials and make them aware of issues that impact agriculture. Sending letters is an easy and effective way to introduce new legislators and governors to our work".

Late August, Alliance Vice President Art Whitman and Government Relations staffer Louise Calderwood made a whirlwind trip through New England visiting a number of agricultural regulatory officials. Whitman commented "During our visits I was able to see how carefully the commissioners and their staff listened to our concerns. With the election of several new governors this fall, we needed to re-introduce our organization to their newly appointed commissioners."

FDA Postpones Milk Testing Protocol

Concern about the potential for antibiotics residues in milk has led the Food and Drug Administration to pursue testing of milk from farms that have repeatedly sent cows to slaughter with illegal amounts of drug residue in their system.

The testing plan has been met with fierce protest from the dairy industry, which said that it could force farmers to needlessly dump millions of gallons of milk while they waited for test results. Industry officials and state regulators said the testing program was poorly conceived and could lead to costly recalls that could be avoided with a better plan for testing.

In response, the FDA postponed the testing and is consulting with the dairy industry on best next steps.

In a December 29, 2010 letter to commissioners and secretaries of agriculture from ten northeastern states voiced criticism of FDA's proposal, citing concerns about on-farm milk disposal, disruption of foreign trade, and conflicts with the Pasteurized Milk Ordinance (also administered by FDA) along with several other concerns. The slaughter house antibiotic residue statistics used to justify the new testing protocol appear to include "bob-calves" and do not clearly define animals labeled as "dairy cows."



Farmers and milk processors have also voiced their objections to the FDA proposal. "What has been served up, up to this point, by Food and Drug has been potentially very damaging to innocent dairy farmers," said John J. Wilson, a senior vice president for Dairy Farmers of America, the nation's largest dairy cooperative. He said that that the nation's milk was safe and that there was little reason to think that the slaughterhouse findings would be replicated in tests of the milk supply.

Drafted with excerpts from the New York Times, Feb 1 2011

Dean Foods Lawsuit Settlement Contended



A proposed settlement in a class-action antitrust lawsuit involving Northeast U.S. dairy farmers against major dairy co-ops and processors has drawn objections. Based on terms of the settlement, announced early last December, Dean Foods agreed to pay \$30 million into a fund for dairy farmers. Dean is also required to buy up to 60 million lbs. of milk per month, for a period of 30 months, from sources other than co-defendants in the suit, Dairy Farmers of America (DFA) and Dairy Marketing Services (DMS). The milk would supply three Dean plants – at East Greenbush, NY, Franklin, MA and West Lynn, MA. DMS, a

milk marketing joint venture between dairy co-ops DFA, Dairylea and St. Albans, currently supplies about 140 million lbs. of milk per month to those plants, with about half of all St. Albans' milk going to Dean.

Objections to the proposed settlement were filed January 18th in the U.S. District Court in Burlington, Vermont, including affidavits from about two dozen individual dairy farmers. One objection was filed by DFA/DMS, who charge the proposed settlement pits two groups of farmers involved in the class-action suit – members of their organizations, against non-members. DFA/DMS said its member farmers would suffer damages due to the lost market at the Dean plants, and did not receive adequate legal representation as a group of plaintiffs when the settlement was drafted. While the settlement has been portrayed as a win for Northeast dairy farmers, DFA/DMS said \$10 million of the \$30 million settlement will go to plaintiff attorneys, sharply reducing payments for farmers.

DFA/DMS said the agreement has the potential of lowering milk prices paid in the Northeast. In addition to having to find a home for 60 million lbs. of milk per month, potentially to lower class utilization markets, co-op representatives said they are better able to negotiate higher milk prices for farmers, and are able to save milk balancing, transportation and handling costs, returning more money to farmers through over-order premiums. The co-ops allege Dean could negotiate lower prices for milk it buys from other suppliers, and then use those prices to leverage lower prices for DFA/DMS milk.

According to DFA/DMS estimates, the average dairy farmer payment would be about \$1,500 under the settlement. They contend a 5¢/cwt. milk price decline as a result of the settlement would reduce income for a 300-cow dairy farmer by about \$3,400/year. Approval of the settlement is likely months away. U.S. District Court Judge Christina Reiss must give preliminary approval; all parties affected by the settlement must be notified; and then a hearing must be held for final approval.

From Dairy Profit Weekly, January 18, 2011

Vermont Dairy Reception

Wednesday - February 23, 2011

Cedar Creek Room, Vermont Statehouse, Montpelier

4:00 to 6:00

Sponsored by

The Northeast Ag and Feed Alliance
and the Green Mountain Dairy Farmers Cooperative Federation

Please join us at this informal gathering of legislatures, producers, and industry representatives

Whitcomb Named as Maine Commissioner of Agriculture



On Wednesday, January 19, 2011, Governor Paul LePage nominated Walter Whitcomb, a dairy farmer from Waldo, as Commissioner of the Department of Agriculture, Food and Rural Resources. Whitcomb has owned Springdale Jerseys Inc. for the past 32 years. The dairy farmer also served six terms in the Maine House as a Republican legislator, from 1984 to 1996, including two terms as House Republican leader in the mid-1990s.

LePage said in a prepared statement, "Walt has been a leader in agriculture policy, working with the Maine Dairy Industry Association. He has represented Maine's farming interests in Washington and has worked closely with our congressional delegation."

Whitcomb told reporters, "This administration recognizes that rural communities and the entire state needs a strong agricultural economy. It is less expensive to grow our own food and process it here than to bring it across the county. Maine can truly be the breadbasket of New England."

FDA Requests Comments on Unapproved Animal Drugs

The American Feed Industry Association (AFIA) has requested a 60-day extension to submit comments for FDA Docket No. FDA-2010-N-0528 on Unapproved Animal Drugs. The FDA is currently soliciting comments on strategies to address the prevalence of animal drug products that are illegally marketed in the U.S.

The concern is that the safety and effectiveness of these products has not been reviewed by the FDA. Therefore, FDA is seeking to increase the number of legally-marketed products, while limiting unapproved animal drug products. These products generally include injectable vitamins, topical solutions, shampoos and liniments, electrolyte and glucose solutions, and antidotes.

According to the Federal Register, the Federal Food, Drug and Cosmetic Act (FD&C Act), states that “new animal drugs cannot be legally marketed unless they have been reviewed and approved, conditionally approved, or index-listed by FDA. “

In order to get an animal drug approved, a drug company must prove that:

- The drug is safe and effective for a specific use in a specific animal species. If the drug is for use in food-producing animals, the drug company must also prove that food products made from treated animals are safe for people to eat;
- The manufacturing process is adequate to preserve the drug’s identity, strength, quality and purity. The drug company must show that the drug can be consistently produced from batch to batch; and
- The labeling is appropriate and truthful. The drug company must make sure that the labeling contains all necessary information to use the drug safely and effectively, including the risks associated with the drug.

Not only do unapproved drugs unfairly compete with the companies that go through the FDA-approval process, any problems are difficult to identify because of the lack of tracking, posing a risk to animal producers, among others.

From January 22, 2011 AFIA Feedgram

Beef Cattle Prices Strong, Good News for Dairy?

Beef prices have increased substantially from the end of 2009. December 2010’s price surpassed a previous high in August 2008. Higher prices have kept commercial cow slaughter at a steady high pace in 2010 and the overall herd size has been declining.

The January 1, 2011 beef cow herd was down one percent from the previous year the lowest level since 1958. Strong live cattle prices and higher grain prices encourage cow-calf operators to sell off heifers for slaughter, hampering herd rebuilding efforts. Additionally, export sales are up and improving consumer confidence with economic growth, albeit slow, support growing demand for beef.

With higher beef prices, dairy slaughter prices increased 22% in 2010 over 2009. At the same time, dairy replacement prices have stayed low in 2010, actually averaging 4% lower than 2009’s average price. Dairy heifer prices crashed in 2009 along with the milk price and have yet to recover, despite higher milk prices. Continued low heifer prices are largely attributed to a record high heifer inventory – the highest since 1986. The abundance of heifers is supported by genetic improvement technologies such as sexed semen. Further, 2010 was spent by many dairy farmers rebuilding balance sheets, with little expansion activity, thus demand for bred heifers was down.



Elevated beef prices are good for dairy in both cull cow and bull calf markets. Today's situation may go beyond simple market prices. First, the current relationship between low heifer prices and high cull cow prices suggests appropriate consideration for when to sell the mature cow and replace with a younger, more genetically enhanced heifer. Done right, this may both expand milk production quicker and increase cull cow sales while saving replacement costs. Second, higher cull cow prices may favor more aggressive culling nationwide, putting the slowdown on an expanding U.S. herd. Whether or not this will have an impact on national milk production and ultimately farm milk prices, at least in the short term, is uncertain at this time.

From the Farm Credit Knowledge Exchange Partner



AFIA Issues Medicated Additive Guide for Liquid Feed, Medicated Blocks and Free Choice Medicated Feed

The AFIA Liquid Feed Committee has developed a medicated additives guideline for medicated liquid feed, blocks and free choice feeds. This guide is designed to provide members and their customers with the requirements and limitations for use of approved animal drugs in these specialized types of feed. Members can download the guide from the website, and a link to a copy is listed below.

Federal law and regulations treat the use of approved animal drugs in liquid, dry, free choice and blocks in different ways when compared to their use in dry feeds. This is due to the differing matrices of the products and the possibility of settling, temperature variation, pH and a host of other variables.

The major point AFIA wishes to make in this document is that use of approved animal drugs in these types of feeds are well-defined in federal law and regulations, and both feed companies and customers using these products are required to comply with these regulations.

Federal law provides both criminal and civil sanctions for violations. These can be serious. More importantly, the incorrect use of the approved animal drugs can lead to serious health consequences in both humans and animals. The safety of the approved products is required to be demonstrated to the Food and Drug Administration (FDA) prior to marketing. It is a system that is scientifically defensible and that has been in place for decades.

AFIA has a strong commitment to providing education on animal drug use to its members and their customers. We invite comments on the new guide and ways to enhance its use and opportunities to provide this guide to a larger audience.

You can access the guide by going to:

<http://www.afia.org/AFIA/Files/Liquid%20Feed/MEDICATED%20ADDITIVES%20FEB%202011.pdf>

AFIA greatly appreciates the leadership of the AFIA Liquid Feed Committee in developing this guide and especially the work of Dr. Cathy Bandyk of Quality Liquid Feed.

If you have any questions about this document, contact Richard Sellers, AFIA's vice president at rsellers@afia.org or Leanna Nail, AFIA's liquid feed committee staff liaison at lnail@afia.org.

NEAFA Calendar Of Events

**NEAFA/ProDairy
Dairy Health & Nutrition
Conference**

March 1-2, 2011
Holiday Inn–Liverpool/Syracuse
Liverpool, New York

**Cornell Dairy Executive
Program**

December 4-8, 2011
The Statler Hotel & Cornell
University
Ithaca, New York

**NEAFA/ProDairy
Dairy Health & Nutrition
Conference**

March 3, 2011
Fireside Inn
West Lebanon, New Hampshire

***“Golf for Good Works”
Annual Tournament***

June 24, 2011
Turning Stone Casino Resort
Verona, New York

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