

November 2008

Feed Dealers to Provide Input for UVM Dairy Program

Over the past year the Vermont Feed Dealers and Manufacturers Association (VFD) with support and input from the Northeast Ag and Feed Alliance (NEAFA), has been engaged with University of Vermont Animal Science faculty and agricultural stakeholders on the future of dairy science at UVM. The organization's commitment to a progressive dairy science curriculum, combined with cutting edge dairy production research, has caught the attention of the UVM College of Agriculture and Life Sciences administration. In early November Art Whitman, VFD President and NEAFA First Vice President, along with Mike Tetreault, former VFD President and current NEAFA Board member, met with Interim Dean of the College of Agriculture, Dr. Tom Vogelmann, and Associate Dean, Mike Vayda. Their discussions focused on the role VFD could play in charting the future for the dairy science program within the College of Agriculture Department of Animal Science.

With assistance from the Feed Alliance, the VFD met with many agricultural leaders across VT over the past year and drafted a vision statement for dairy science at UVM. During spring and summer months, members of the VFD met frequently with UVM faculty and administrators including UVM President Dr. Dan Fogel. UVM administration recently requested VFD to work with agricultural stakeholders and develop research topics specifically beneficial to farmers in the northeastern US. Additionally the VFD has been requested to explore various models for funding, ownership, and management of land grant dairy research facilities.

The VFD has developed a list of participants and is in the process of contacting them. The project is expected to require three meetings and will be completed by mid February for presentation to UVM administrators. Among the topics the VFD has previously identified as critical to the success of Northeast dairy are:

- Increased milk production per cow - at or above the national average

- Nutrient management to achieve regulatory compliance and thoughtful environmental stewardship

- Forage management to make gains in feed efficiency

- Alternative Bedding Management to address rising costs and environmental concerns

- Public awareness that production agriculture is a major economic engine

- Development of milk based products such as lactoferrin and dermaceuticals

The Feed Alliance's Mission/Vision Statement, adopted by the Board last June, recognizes the importance of developing connections with land grant universities. The relationship between UVM and the VFD indicates the positive impact of industry leadership and the subsequent results. The NEAFA Board will be meeting with Susan Henry, Dean of the College of Agriculture and Life Sciences at Cornell University, in early December.

Inside:

Northeast Farm Bureau Update 2

Legislative Changes in the Northeast 2

Finger Lakes Large Truck Restrictions 3

Input Costs Drop – Along with Milk Prices 3

2009 Annual Meeting & Tea Party 4



The Miller Dairy Research Facility at UVM is in need of major improvements to support students and faculty for teaching and research.

Northeast Farm Bureau Update

Most Farm Bureaus in the Northeast have recently completed their rounds of county meetings, culminating in state level annual meetings and development of legislative priorities. NY runs a bit later than its neighbors and will hold its annual meeting the first week of December.

Speaking with executive directors of Farm Bureau's throughout New England it is clear that state level budget woes are weighing heavily on everyone. Many state Farm Bureau's are focusing on protecting the budgets of their state Departments of Agriculture. Jon Olsen, executive director for ME Farm Bureau points out that the combined budgets for the Departments of Inland Fisheries, Agriculture, Conservation and Marine Resources represents less than 3% of the total state budget. Even so, every dollar is scrutinized in lean years and maintaining essential resources and services for agriculture, while preventing increases in fees is a challenge.



New Hampshire, Maine and Vermont are seeing seasoned officers returning to their positions within Farm Bureau leadership. In Connecticut, Don Tuller has recently been elected president, replacing long time president Randy Blackmer who stepped down after years of service. Don and his family operate a farm that has been in the family for generations. Current crops include beef, hay, and products from a market garden. Jamie Jones will serve a 1st Vice President and Melissa Greenbacker will assist as 2nd Vice President.

Jon Olsen, Executive Director for the Maine Farm Bureau echoed the thoughts of Rob Johnson, Tim Buskey, and Steven Reviczky, his counterparts in NH, VT, and CT, when he commented that state level budget deficits would be the primary focus of the upcoming legislative session.

New York Farm Bureau has a full agenda for the upcoming annual meeting with many committee meetings, speakers including Governor Paterson (invited) and AFBF President Robert Stallman, Young Farmer Discussion Meet, legislative issues and an awards ceremony. John Lincoln, an Ontario County dairy farmer, will step down after 14 years as NY Farm Bureau President. Four individuals are making a bid for his spot. Presidential candidates include: Eric Behling, Oswego County apple grower, Mark Dunau, Delaware County vegetable grower, Dean Norton, Genesee County agribusiness man and member of Norton Family Farms, and Paul Zittel, Erie County vegetable grower. The vice presidential candidate is Eric Ooms, Columbia County dairy farmer.

Legislative Changes in the Northeast

The November elections saw a continued increase in Democratic members of state legislatures throughout the Northeast with the notable exception of NH. In New York, the Senate moved to a Democratic majority for the first time in 40 years. Solid control of legislative bodies by Democrats throughout the Northeast, coupled with the Democratic majority at the Federal level, has created a single party power structure rarely experienced in the past 50 years. In New Hampshire, Representative and Chair of the Committee on the Environment and Agriculture, James Phinizy, made an unsuccessful bid for the Senate. Of the eighteen Environment Committee members, only ten will be returning when the legislature convenes in January. The other eight members either did not run or were not re-elected. The Senate Ag committee should maintain some stability with four of the five existing members returning to the legislature next year. New Hampshire is the only state in the northeast to see a strong showing by Republicans with an increase of 17 Republican seats in the election. The state will have 224 Democrats and 176 Republicans seated in January.

Two agricultural advocates were defeated in their bid for re-election in Maine. Dairy farmer and Representative Tim Carter (D) lost his seat as did Representative Don Marean (R) a standardbred horse breeder. While Carter and Marean will be missed for the expertise they brought to the joint Agriculture, Conservation and Forestry Committee, agriculture will be well served if Representative Wendy Pieh and Senator John Nutting return as co-chairs.

Maine will see a change in House leadership as Speaker Glen Cummings chose not to seek re-election. Republicans lost another seven seats in the Maine House moving the count to 151 Democrats and 37 Republicans. The Senate will operate with 36 Democrats and 12 Republicans. While the Vermont legislature continued to gain Democratic seats, agriculture maintained its voice with all active producers, seeking re-election, mounting successful bids. Gaye Symington (D) was unsuccessful in her run for Governor, which will open the opportunity for a new Speaker of the House. While Republican incumbent Governor Jim Douglas maintained a slim majority in the three-way race, Progressive Anthony Pollina, who has never held an elected position of any type, ran neck and neck with the well-known and respected Symington.

Return of the NY Senate to Democratic control for the first time in decades has opened the door for change in leadership of the Senate Agriculture Committee. Long time Chair Cathy Young, well respected by a broad range of producers, will relinquish her position when the legislature reconvenes in January. While the new Senate leadership will not be named until 2009, Darrel Aubertine (D) is considered a frontrunner for the Ag Chair post. Aubertine, elected in a special election in February 2008, is the first Democrat to represent the people of Oswego, Jefferson and St. Lawrence counties in the New York State Senate since 1880.

NY Finger Lakes Large Truck Restrictions Could Go State Wide

In response to public concerns about large truck traffic on local roads the NYS Department of Transportation began restricting trucks with oversize/overweight permits on selected highway sections in the Finger Lakes region. An organized effort by a broad coalition of trucking interests, including the Ag and Feed Alliance and NY Farm Bureau, will continue to fight these burdensome restrictions. DOT plans to move forward with draft regulations restricting all large trucks from these Finger Lakes highways.

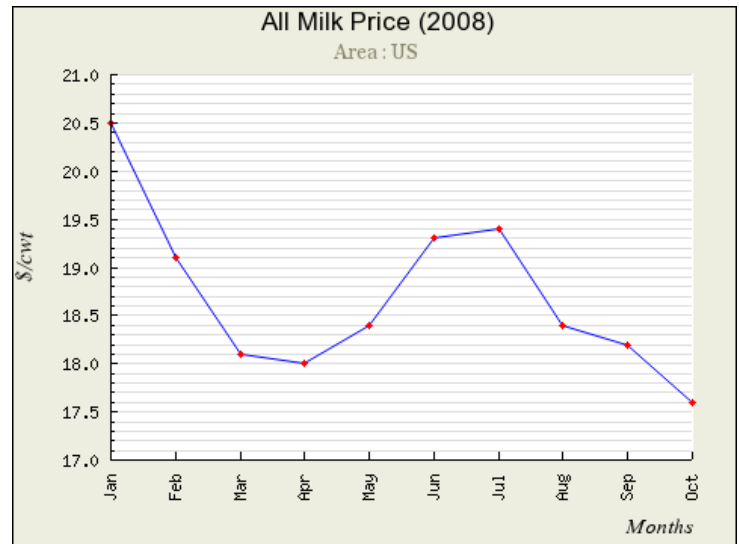
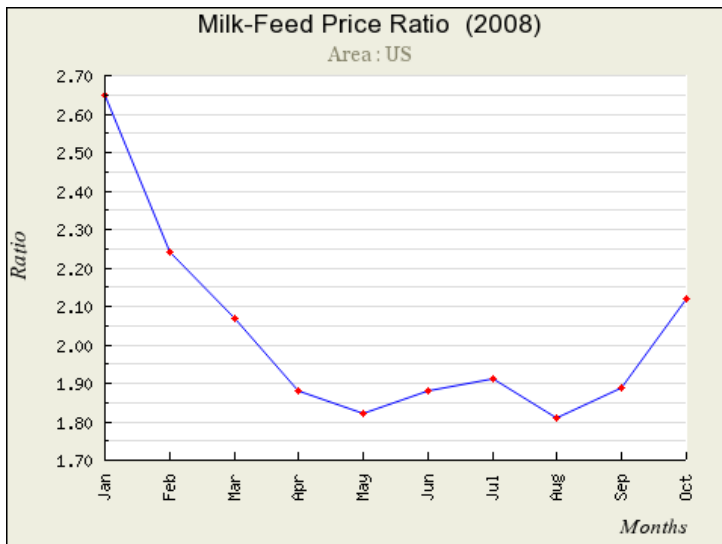
A large truck is defined as a tractor-trailer or truck-trailer combination where the trailer length is 45 feet or longer. The first wave of restrictions will apply to both Divisible Load and Special Hauling permits issued or renewed after November 15 2008. The restrictions do not impact permits issued prior to that date. The restricted state highways include all or parts of (from east to west) state routes 41, 41A, 38, 90, 89, 79 and 96. Operation on these highways will only be allowed for pick up and delivery at facilities directly located on these highways or facilities that are only accessible by use of these highways. Exemptions will be granted through an application process for transporters that can demonstrate hardships or emergencies. Temporary Hardship Waivers may be issued with a Feb. 15, 2009, expiration date, after which a formal waiver process will be developed.

A rule making process will begin shortly to make permanent these restrictions on the state highways listed above. There is a concern similar measures could be instituted in other parts of New York as well. The Alliance will continue to closely monitor and engage in this situation on behalf of members.

Input Costs Drop - Along with Milk Prices

Just as the milk feed ratio was moving in a positive direction, milk prices have started to drop, maintaining a tight margin for dairy producers throughout the northeast. Major dairy inputs such a feed and fuel have seen sharp price reductions over the past two months moving the milk feed ratio up to 2.12 from a low of 1.81 in August. By comparison, the milk feed ratio in 2006, a bell weather low income year for dairy producers, never dropped below 2.35. Common understanding assumes dairy farmers can profitably produce milk when the milk feed ratio exceeds 3.00.

Milk prices paid to farmers have softened over the past five months and show no immediate signs for a rebound. Fonterra Cooperative Group Limited, the New Zealand based company, which accounts for about 40 percent of the international dairy trade, slashed its forecast payout for New Zealand farmers, citing a sharp drop in demand in the past two months. Financial market turmoil is getting worse and prices are likely to fall further, the Auckland-based cooperative said.



Graphs courtesy of University of Wisconsin Dairy Marketing and Risk Management Program

Northeast Ag & Feed Alliance

27 Elk Street
Albany, NY 12207

PHONE:
(888) 445-4595

FAX:
(518) 434-9093

We're on the Web!

See us at:

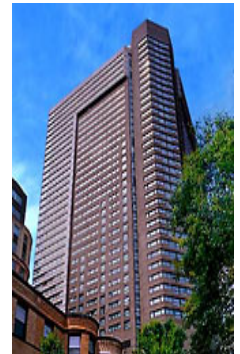
www.northeastalliance.com



Northeast Ag & Feed Alliance 2009 Annual Meeting & Tea Party

"Serving the Northeast Dairy Industry"

Annual Meeting/
2009 Tea Party
February 9-10, 2009
Boston Marriott
Copley Place
Boston, MA



Don't miss this annual event! What better way to spend those cold winter days than catching up with friends and colleagues, and learning from top industry professionals such as:

Joel Newman - *President and CEO of AFIA*

Bob Gray - *Washington Agriculture Policy Expert*

Dr. Mark Stephenson - *Cornell Dairy Economist*

Kay Johnson Smith - *Executive Vice President, Animal Industry Alliance*

On Monday afternoon, we are pleased to offer **ProDairy's** seminar, focusing on *Profitable Dairy Farming in the Northeast*.



And join us at Monday evening's dinner when our

2009 Keynote Speaker will be ...

Trent Loos
Rancher, Advocate for Agriculture

Sponsorships are available, as well as on-line registration! Look for details in your mailbox or on our website.

Thank you for making the 2009 Annual Meeting & Tea Party part of your strategy to enhance your education, further your career, and improve your business. We look forward to seeing you in Boston!

NEAFA Calendar of Events

Dairy Feed & Nutrition Conf.

April 7, 2009

Location: Doubletree Hotel
Syracuse, NY

Dairy Feed & Nutrition Conf.

April 9, 2009

Fireside Inn
West Lebanon, NH

Golf for Good Works Annual Golf Tournament

June 25, 2009

Turningstone Casino & Resort
Verona, NY