

## NEAFA Welcomes New Director, Rick Zimmerman

The Northeast Ag and Feed Alliance is beginning a new era of leadership and engagement. We are establishing a new look and starting up a new team of professionals to serve you and your organizations. I am excited about being part of this dynamic organization and look forward to meeting each and every one of you.

The Board of Directors has hired me and my colleagues at ACDS, LLC to undertake all the administrative, government relations and communications programs and activities of the Association. Our team is highly qualified to transition from Bill Bell's effective management and take the Alliance to the next level of engagement. My team includes Philip Gottwals, an economist, researcher and consultant; Ali Church, administrator and communications manager; and Louise Calderwood, government relations director for New England and communications editor. Many of you know Louise for her high quality work this past year on behalf of the Alliance and previously as Deputy Commissioner of Agriculture in Vermont. Together we are prepared to serve you and the Alliance.

I accepted the position of Executive Director with a background rich in agricultural policy and administration.

For the past 24 years I have been engaged in various roles addressing challenges and issues impacting the agricultural industry. As Director of Government Relations for New York Farm Bureau, I helped ramp up the organization's lobbying effort to be the effective public policy program that it is today. For the past seven plus years, as Deputy Commissioner of Agriculture and Markets in New York, I was chiefly responsible for initiating and administering the Department's agricultural economic development programs. Looking ahead, I see tremendous opportunities for the Northeast Ag and Feed Alliance. Active participation



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## *Goodbye from a Good Friend, A Farewell From Bill Bell*

Dear Members and Friends:

With this newsletter, your new Northeast Ag and Feed Alliance Executive Director has invited me to extend a final and fond farewell. It's been a great 25 years, with incredible change. When I began as your executive director in 1981, Maine's huge broiler industry was just shutting down, due in large part to the high cost of feed transportation.

Now, corn is going to be used in the Northeast for conversion into a fuel additive!

Due in large part to the ingenuity of its members, the livestock feed industry in the Northeast will survive and at times even prosper. The "merger" of the New England Grain and Feed Council and the

Eastern Federation of Feed Merchants into our Alliance is one of the changes which needed to take place. More than ever before, our Alliance will become a catalyst in bringing people and institutions together across state lines, for the common good of Northeast agriculture.

As for me – well, I'm not going anywhere. I continue as the executive director of the Maine Veterinary Medical Association and the New England Veterinary Association. Veterinarians tend to work until at least age 70, so I fit right in. I'm putting together some biofuels and carbon trading initiatives for Maine, and serving as President of the Maine Farmland Trust. Life

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***"It's been a great 25 years"***

## Farm Bill Overview

On July 27 the US House passed H.R. 2149 by a vote of 231-191. Review by groups as diverse as Farm Bureau and the Environmental Working Group (EWG) are largely supportive of the bill as passed, but details are yet to be worked out. The American Farm Bureau new release states "The skillfully crafted bill addresses the concerns of taxpayers, increases support for agricultural environmental programs and balances the diverse needs of America's family-based food and fiber production system..." Similarly the EWG has commented "Much good will come from many of the bill's provisions, if enacted into law, that increase funding and improve policy to protect the environment, provide assistance to hungry people at home and abroad, expand outreach to socially disadvantaged and minority farmers, and expand research on organic farming methods and the next generation of sustainable biofuel production."

The American Feed Industry Association (AFIA) actively lobbied on a number of provisions of concern to feed manufacturers and distributors. American Feed

Industry Association (AFIA) President Joel Newman said that overall the bill is a good one for animal agriculture and the feed industry. Specific amendments that were defeated as they were presented for inclusion in the farm bill included anti-agriculture animal rights initiatives as well as language to restrict private contracting between grain and meat processors and farmers. According to Newman, the energy title tracks AFIA's priority in dedicating significant new monies to research into farm-based biofuels, with an emphasis on perfecting the use of non-corn feedstocks for ethanol. Included in AFIA's list of objectives for further work on the Farm Bill are addressing areas of potential WTO challenges as well as the plan for funding increased spending included in the legislation.

## Railway Study

An important provision of the House passed version of the farm bill is a requirement to conduct a study of US railway capacity. Based on an amendment submitted by Congressman Waltz (D) of MN, the Secretaries of Ag-

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## BIO Unveils Stewardship Program

The Biotechnology Industry Organization (BIO) on July 25 announced that it is launching a new global program to develop best practices to address product stewardship and quality management for plant biotechnology. BIO said the program, named "Excellence through Stewardship: Advancing Best Practices in Agricultural Biotechnology," is designed to establish "strong quality-management for the full life-cycle of biotechnology enhanced plants," from seed through product phase-out. The program applies to all plant biotechnology ranging from commodity, energy and specialty crops to ornamentals. Importantly, BIO said it is encouraging participation in the program by all companies and institutions involved in research, development and/or commercial activities for plant products.

### BIO's program has three major components:

- Adoption of quality-management principles and practices for maintaining plant product integrity through each phase of the product life cycle. "These principles and management practices require defined, documented activities to address objectives, planning, training,

control and compliance," BIO said.

- Publication of a Quality Management Program Guide with information on how to develop and implement quality management best practices.
- An independent, third-party stewardship audit program designed to verify implementation of stewardship programs and quality-management systems, as well as compliance with quality principles and management practices.

## Upcoming Events

### *83rd Annual Seminar & Tea Party*

February 11 & 12, 2008

Marriott Copley Place, Boston, MA

### *Ruminant Health & Nutrition Conference*

March 25, 2008

Holdiay Inn, Liverpool/ Syracuse, NY

### *New England Dairy Feed Conference*

March 26, 2008

Fireside Inn, Lebanon, NH

## News on the Milk Front

Dairy farmers are enjoying record milk checks that are much needed to let them catch up on past bills and delayed maintenance. But what goes up must come down. Dairy prices, which just a few weeks ago were expected to be at record levels for several months, are now expected to drop \$2-\$3 in August and December.

Class III prices will likely set a record for July at above \$21. The current record is \$20.58 set in 2004. But August prices are expected to drop back to near \$19 and then \$18 for September. Just a few weeks ago, the CME Class III prices were above \$20 through October. Markets can change and change fast.

But there is a silver lining in the news. Class IV prices are expected to remain \$2-\$3 above Class III due to high powder prices. Since milk prices are determined by the higher of Class III or Class IV, dairy farmers will benefit as Class IV will be the price driver for the coming months.

### Milk Prices

CME Class III prices have been moving up steadily since February with April at \$16.09, \$17.60 in May, and \$20.17 in June. July is still on track to set a record milk price at the \$21 level. This is well above the record \$20.58 from 2004.

In early June CME Class III Futures Prices had soared to the \$20 level for June through October. This news was too good to be true and it was. By late June prices had dropped more than \$1-\$3 per cwt for August through December. Just this week we have seen prices drop up to \$0.40 per cwt. Although prices are still in the "good" range, its not as good as it was looking. We do know that when milk prices go up, they don't stay up for long and quickly drop back. Although we haven't seen the \$5 drop experienced with other price jumps, this is following historical patterns.

### Milk Feed Ratio Cracks 3.0

Of course the real news is the milk/feed price ratio. On July 31 the ratio hit 3.19, up from 2.33 one year ago. Planting reports collected by USDA/NASS indicated even greater acreage than expected, resulting in softening of price forecasts for corn and soy. While both grains are still trading at significant increases from one

year ago, the impact is mitigated by the continued strong milk price. The price of baled alfalfa hay was unchanged at \$137 per ton. That is \$24 higher than a year ago. As yield forecasts start to appear over the next month expect the milk/feed ratio to respond.

### Farm Bill Dairy Provisions

The farm bill as, passed by the House, includes several provisions important to the dairy industry. Most notable is the extension of MILC through 2012. Now that the program is back on the table for discussion, many in the dairy business feel the need for MILC reform. Issues for debate include increasing the Class I trigger above \$16.95, reinstatement of the 45% payment rate, and revisiting the definition of "producer". The Dairy Forward Pricing Program has been re-established even though not widely used in the past.

- Bob Parsons, UVM Extension Ag Economist  
in conjunction with Louise Calderwood

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in the public policy process will be "job one" for Louise and me as we represent you. The Alliance has significant potential with regard to engaging in the legislative and regulatory issues impacting your businesses and our industry.

In addition, the emerging renewable fuels markets create many exciting options for our industry and our organization. The NEAFA is in a great position to benefit from the excitement created through the use of agricultural commodities for renewable fuels.

We will continue the excellent work of Bill Bell, particularly with regard to the programs and conferences the NEAFA is well known for. The Boston Tea Party/Annual Meeting, the two dairy conferences and the golf tournament, are all on track for the year ahead. We also plan to provide this newsletter on a monthly basis so that the content remains timely and relevant.

I look forward to working with your Board of Directors to address the issues and challenges facing our industry. I invite you all to actively participate in your organization and take advantage of the many resources the NEAFA has to offer. Please feel free to contact me or any member of the NEAFA Team.

## Farm Bill Overview *continued from page 2*

riculture and Transportation are required to submit a report and recommendations to Congress concerning the adequacy of rail capacity, competition and service reliability in rural America, as well as the accessibility of rail customers to federal forums to resolve disputes with rail carriers. The legislation would require that the report assess the importance of freight railroads concerning: 1) the location of grain elevators, ethanol plants and other agricultural facilities; 2) the movement of agricultural commodities and products to market; 3) the delivery of equipment, seed, fertilizer and other products important to agricultural production; 4) the delivery of ethanol and other renewable fuels; 5) the delivery of domestically produced resources for use in generating electricity in rural areas; 6) the development of manu-

facturing facilities in rural areas; and 7) the vitality and economic development of rural communities.

## Bill Bell Farewell *continued from page 1*

is good. Recently I even took a small amount of money from Dean Webster on the golf course.

I'd like to thank all of you once again for your friendship, and support of our industry, over these 25 years. And, as I have previously ended many, many letters to you: See You in Boston!

-Bill Bell

## Golf Outing- Details to Follow!

The Golf Outing Fundraiser at Turning Stone Resort on June 27 was a huge success.. Look for a complete report and results next month.

### Summary of Amendments Made by Northeast Representatives To Farm Bill – H.R. 2149

#### 1. Frank (MA)/Bachus (AL): Approved by Voice Vote

Strikes five sections from Title V of the bill (Agribusiness loan eligibility, Loan-to-asset value requirements, Population limit for single-family housing loans, Majority farmer control requirement, and Borrower stock requirement), which expand the lending authority of the Farm Credit System. (10 minutes)

2. Arcuri(NY)/Welch(VT)/Gillibrand(NY): Withdrawn with commitment to have Ag Committee review Expresses the Sense of Congress that the Sec. of Ag should use existing authority when determining the Class I milk price mover to take into account the increased cost of production, including energy and feed. (10 minutes)

#### 3. Welch (VT): Approved by Voice Vote

Encourages schools to submit plans for implementation to the Secretary that include locally grown foods, in areas where geographically available. (10 minutes)

#### 4. Welch (VT)/Arcuri (NY): Withdrawn with commitment to have Ag Committee review

Adds a provision to the review process for the Federal Milk Marketing Order Review Commission to include an evaluation of cost of production variables, including cost of feed and cost of fuel. Additionally, it encourages the Commission to be regionally diverse, and moves up the date from 24 months to 18 months after the enactment of this bill. (10 minutes)

#### 5. Rangel (NY): Failed on Recorded Vote: 182-245

Removes certain banking restrictions related to payment's for agricultural purchases from producers. It also authorizes direct transfers between Cuban banks and banks and allows visas to be issued to conduct activities related to purchasing agricultural goods. (10 minutes)

#### 6. Israel (NY)/Doyle (PA): Approved by Voice Vote

Would eliminate the sale of random source animals for research and will prohibit the marketing of medical devices by using live animals in demonstrations to market such devices. (10 minutes)

#### 7. Hall, John (NY): Approved by Voice Vote

Would establish a program to encourage environmentally responsible practices on actively farmed muck soil land. (10 minutes)