IDAHO DAIRY FOCUS
First Quarter 2019

ALL ABOUT THE DAIRY PRIDE ACT ON PAGE 11

TAKING THE STRESS OUT OF AN E/NMP REVIEW ON PAGE 27

Protecting Idaho's dairy industry through environmental, legal, and legislative leadership since 1924.
The Second Annual Refugee Luncheon was held March 12th on the fourth-floor rotunda of the capital building. IDA sponsored the event and assisted in organizing other businesses to sponsor as a means for Idaho business to recognize refugees’ positive impacts to Idaho. Refugees provided food items from their native country and served guests from 11:30am - 1:30pm to anyone who was in the capital building. Food was served buffet style, allowing legislators and others to choose what food they wanted to try.

This year Governor Little was the first one to be served. Overall, the Governor spent a significant portion of his time at the luncheon trying a variety of food and engaging with refugees.

The purpose of the luncheon is centered on first, allowing the refugee community to know and understand they are appreciated. Secondly, it is important for those engaged in governing our state to have an opportunity to meet with a segment of our communities they otherwise might not have a chance to meet. One way that is accomplished is by having refugees present with a name tag that says, “ask me”. That provides an opportunity for legislators and others to begin to understand why these individuals sought refuge in our great state. This year approximately 20 refugees accomplished that assignment.

We want to thank the organizations listed below for being a sponsor of this year’s event. We appreciate them joining us in placing their name in support of Idaho’s refugee community. It’s an avenue for businesses to stand up and say “the refugee community is important to us and to the state”.

REFUGEE CAPITOL LUNCHEON

Agency for New Americans
B and D Foods
Bayer
Bibles, Badges, and Business
Catholic Charities of Idaho
Chobani
College of Southern Idaho Refugee Programs
Con Paulos Chevrolet
English Language Center
Episcopal Diocese of Idaho
Figure 8 Investment Strategies
Five Mile Church of the Nazarene
Food Producers of Idaho
Global Gardens
Global Talent
Global Community Partners
Idaho Alfalfa Clover Seed Growers Association
Idaho Association of Commerce & Industry
Idaho Association of Soil Conservation Districts
Idaho Cattleman’s Association
Idaho Dairymen’s Association
Idaho Grain Producers Association
Idaho Hay & Forage Association
Idaho Honey Industry Association
Idaho Office for Refugees
Idaho Onion Growers’ Association
Idaho Power
Idaho Sugar Beets
Idaho Water Users Association
Idaho Weed Control Association
International Rescue Committee
Islamic Center of Boise
J.R. Simplot Company
Jannus Economic Opportunity
Nez Perce Prairie Grass Growers Association
Northwest Agricultural Cooperative Council
Northwest Farm Credit Services
Potato Growers of Idaho
Refugee Speakers Bureau
Sawtooth Law
Twin Falls Area Chamber of Commerce
University of Idaho College of Agricultural and Life Sciences

THANK YOU TO OUR SPONSORS
The 2019 Idaho legislative began on January 7th and by the political pundits the Session will last at least up to April, well beyond the original target date of March 25th. Medicaid expansion will be the “going home” bill that will hold legislators in Boise until it is resolved. With the passage of Proposition 2 last fall, legislators are required to stay in session until legislation is approved that provides healthcare for those who do not have the financial resources on their own.

If you include Joint Memorials and Resolutions, during the last 2 months over 540 pieces of legislation have been introduced. That number does not recognize the multiple Administrative Rules that were presented to Committees for approval. Not surprising some legislation never made it out of the Committee it was assigned to. Some legislation is still in the House and/or Senate awaiting debate and a vote. While some have passed, both the House and Senate and are awaiting the Governor’s approval and some have completed the whole process and are law.

IDA’s focus in Boise is reviewing bills we feel will have an impact on agriculture, with a specific perspective on dairy. That covers a multitude of Rules and proposed legislation to be reviewed and provide legislators input from IDA staff. We don’t accomplish this alone. By becoming members of like-minded organizations, we are able to more thoroughly and efficiently review all these pieces of legislation. IDA is a member of the following organizations, which help us assure IDA Policy expectations are being met: Associated Taxpayers of Idaho, Food Producers of Idaho, Idaho Association of Commerce and Industry (IACI), and Idaho Water Users Association. We would be remiss if we also didn’t take a moment to recognize the counsel we receive from Wyatt Prescott of the Idaho Cattleman’s Association, Stacey Satterlee and Rich Garber of the Idaho Grain Growers Association, Elizabeth Criner representing Simplot, Brent Olmstead of the U of I College of Agriculture and Life Science, and David Claiborne of Sawtooth Law, IDA’s legal Counsel.

There are a few of the pieces of legislation on the next page that were considered this year, an H referenced that the bill started the legislative process in the House, the S referenced that it started in the Senate.
S 1045
Allows for inmates to work in agricultural operations under the supervision of Idaho Correctional Industries. It provides for contracts for agricultural training programs for inmates. This legislation is supported by IDA. The bill passed the Senate on a 35-0-0 vote and is currently in the House Jud and Rules Committee.

Ryan DeWit of IDA Consulting has been working with the Idaho Department of Corrections for the past year reviewing their dairy workers curriculum they are currently offering inmates. If this bill becomes law, we will provide additional information and the process you will need to go through to participate.

S 1056
Provides authority to the Director of the Idaho Department of Water Resources to curtail ground water users that have failed to comply with the apportionment of mitigation obligations imposed by ground water districts. This legislation is supported by IDA. The bill passed the Senate 33-1-1 and is currently in the House Resource and Conservation Committee.

S 1082
This Bill allows for increasing the fee cap for the Brand Department fees, as they pertain to equines. If it becomes law, it would require the Brand Department to conduct negotiated rulemaking to establish what the new fees would be. The last time the statute related to equine brand fees was adjusted was in the 1980s. This legislation was supported by IDA. It passed the House 51-16-3 and the Senate 34-0-1. The Bill was signed by Governor Little on March 20th, 2019.

For questions on legislation please contact Bob at bnaerebout@gmail.com.
In Washington, D.C., it’s a divided Congress this time around with Democrats newly in the majority in the U.S. House of Representatives and Republicans retaining control of the U.S. Senate. House Democrats have made good on their pledge to provide aggressive oversight of the Trump Administration with hearings in the Judiciary, Government Oversight, and Intelligence committees.

The Senate and House Agriculture Committees have already heard testimony from and asked questions of USDA Secretary Sonny Perdue on implementation of the new Farm Bill signed into law last December. In those hearings, the Secretary said the current plan is for the online calculator for the new Dairy Margin Coverage (DMC) program to be available mid-April. Signup for DMC is to begin mid-June and the payment for the January 2019 margin of $7.99 beginning in early July. Producers who were locked out of retroactive payments in MPP-Dairy last year because of an existing LGM-Dairy contract will be happy to note that retroactive signup for margin coverage for months in calendar 2018 is open once again.

A handful of bills addressing immigration reform have already been introduced and more are expected in the coming weeks. Those dealing with agricultural workers serve the purpose of keeping the issue top-of-mind with the members of Congress who would be our allies on the need for reform. None of the bills introduced to date, however, offer the complete package. Among the lessons learned on immigration reform is that the issue is as difficult as it gets. If agriculture isn’t together on a bill it isn’t likely to pass.

The first bill introduced this year, known as the “Blue Card Bill,” would offer legal status to current improperly documented workers with a pathway to a Green Card and eventual citizenship. But this bill does not address the need agriculture will have for new workers in the future.

If agriculture isn’t together on a bill it isn’t likely to pass.
Another bill introduced in the House of Representatives would expand the H-2A program so it would be available to employers who have year-round jobs on their operations. This would be helpful in supplying future workers on dairies but it does not address the adjustment of status needed for much of the current dairy workforce. Other bills reportedly in the drafting stage would offer certainty for workers in specific industries like agriculture, high-tech and tourism.

While these bills are helpful in keeping the immigration reform debate alive and are appreciated in agricultural states like Idaho, the fact remains that like last year’s Ag Act the bills are incomplete at solving the farm labor crisis. As we learned last year it is questionable whether an incomplete bill that divides agriculture even gets a vote on the floor of either the House or the Senate.

That brings us to the current efforts in the House Judiciary Committee to address immigration reform. The Committee plans to take up legislation to permanently extend the Deferred Action for Childhood Arrivals (DACA) and the Temporary Protected Status (TPS), primarily for refugees, early next month. Next up is a bill to reform the farmworker visa program. The “Blue Card” bill mentioned above is expected to be the base of that bill. A plan for new workers to address the future workforce needs of agriculture would be added to that.

Legislation has also been introduced in the House of Representatives to put whole milk back into reimbursable meals in school feeding programs.

The FDA continues its review of food labeling practices to “modernize” the delivery of nutrition information to consumers. Part of that review is scrutiny of the use of standardized dairy terms on products that originate from plants. Standardized dairy terms like milk, cheese and yogurt, have been on the books for decades. Their use is restricted, in part, so consumers get the nutrition they believe they are paying for in the products they buy. Plant-based drinks, with a fraction of the protein and none of the natural calcium in a glass of dairy milk, don’t qualify.

A legislative solution on the labeling issue, the “Dairy Pride Act,” has been reintroduced in the new Congress. Idaho can claim the title of the only state with 100% of its delegation signed on in support of the bill. Senator Jim Risch is the lead Republican on “The Dairy Pride Act,” the bill would restrict the use of standardized dairy terms on food labels to products that originate from an animal that lactates. Senator Crapo is a cosponsor. Representative Mike Simpson is the lead Republican in the House and Congressman Russ Fulcher is a cosponsor.

Idaho can claim the title of the only state with 100% of its delegation signed on in support of the Dairy Pride Act.
The Defending Against Imitations and Replacements of Yogurt, milk, and cheese to Promote Regular Intake of Dairy Everyday Act (DAIRY PRIDE Act) would require non-dairy products made from nuts, seeds, plants, and algae to no longer be mislabeled with dairy terms such as milk, yogurt or cheese. The bipartisan legislation is cosponsored by Senators Patrick Leahy (D-VT), Mike Crapo (R-ID), Debbie Stabenow (D-MI) and Angus King (I-ME), and it has also been introduced in the House today by Representatives Peter Welch (D-VT) and Mike Simpson (R-ID).

Current Food and Drug Administration (FDA) regulations define dairy products as being from dairy animals. Although existing federal regulations are clear, the FDA has not enforced these labeling regulations and the mislabeling of products as ‘milk’, ‘yogurt’, and ‘cheese’ has increased rapidly. This hurts dairy farmers that work tirelessly to ensure their Made in Wisconsin dairy products meet FDA standards and provide the public with nutritious food. It has also led to the proliferation of mislabeled alternative products that contain a range of ingredients and nutrients that are often not equivalent to the nutrition content of dairy products.

The DAIRY PRIDE Act would require the FDA to issue guidance for nationwide enforcement of mislabeled imitation dairy products within 90 days and require the FDA to report to Congress two years after enactment to hold the agency accountable for this update in their enforcement obligations.

"Dairy farmers in Wisconsin work tirelessly every day to ensure that their milk meets high standards for nutritional value and quality,” said Senator Baldwin. “Imitation products have gotten away with using dairy’s good name for their own benefit, which is against the law and must be enforced. Mislabeling of plant-based products as ‘milk’ hurts our dairy farmers. That’s why I’m reintroducing the DAIRY PRIDE Act to take a stand for Wisconsin farmers and the quality products they make.”

"Idaho’s dairy farmers work hard to meet high FDA standards while others misuse the term “dairy” but aren’t subjected to the same rigorous requirements. This is not right,” said Senator Risch. “The nutritional value found in dairy is not replicated by imitation products, and it’s time our labeling requirements reflect that.”

"Maine dairy farmers work hard to produce high-quality, made-in-Maine dairy products, and they should not be faced with unfair competition from imitation products using dairy terms to convey a nutritional equivalency that is not accurate,” said Senator King. “By ensuring the FDA enforces its labeling requirements, we can strengthen the Maine dairy industry and help protect the livelihood of Maine farmers.”
“The DAIRY PRIDE Act is simply about fairness. Vermont’s hardworking dairy farmers deserve to sell their products on a level playing field, just as consumers deserve to know exactly what they’re putting on the table. In both cases, truth in labeling matters. There can always be room on the shelves for plant-based products, but every Vermonter knows that milk doesn’t come from plants. It’s past time for labels across the country to reflect that,” said Senator Leahy.

Dairy farmers and producers from across the nation are strongly supporting the DAIRY PRIDE Act:

“National Farmers Union supports policy that encourages the healthy consumption of real dairy products and prevents the mislabeling of imitation and substitute dairy products in the marketplace. We appreciate Senator Baldwin’s leadership on the DAIRY PRIDE Act and her commitment to our nation’s dairy producers,” said Roger Johnson, President of the National Farmers Union.

“Wisconsin’s dairy industry is the backbone of our state’s agricultural economy. We receive worldwide recognition because our farmers take pride in providing healthy and safe dairy products to their customers. The labeling and marketing of all dairy milk products should be accurate and enforced by the Food and Drug Administration,” said Wisconsin Farm Bureau Federation President Jim Holte.

“American consumers are best served by clear labeling of their food. When they buy cheese, yogurt, and ice cream at the grocery store, they expect those products are made with real milk – not a plant-based imitator,” said Jeff Schwager, President of Sartori Company in Plymouth, Wisconsin. “We applaud Senator Baldwin’s work to increase clarity in the marketplace, and encourage lawmakers to join in this important effort.”

Senator Baldwin has been pressing the FDA to uphold its commitments to dairy farmers and processors who abide by FDA regulations and properly make and label their products, and has called on the agency to take action against companies that don’t follow FDA’s long-standing rules on dairy product labeling. Last spring, she pressed FDA Commissioner Scott Gottlieb to act, and last fall, he announced he was taking the first step in this process.

Now that the FDA comment period has ended, the agency could move forward in enforcing its regulations. Senator Baldwin and a bipartisan group of Senators also wrote to FDA Commissioner Scott Gottlieb today to press the agency to move forward quickly to begin enforcing FDA’s Standards of Identity against imitation products that use dairy’s good name for their own benefit. If the agency fails to act, the DAIRY PRIDE Act would force them to resolve this issue within 90 days. The letter is available at https://www.baldwin.senate.gov/press-releases/dairy-pride-2019.

IOWA ADOPTS KEY PROVISIONS OF IDAHO’S AGRICULTURAL SECURITY LAW

David P. Claiborne, Sawtooth Law

On March 14, 2019, the State of Iowa adopted as law, with immediate effect, provisions making it a crime for a person to use deception to gain entry upon, or employment with, an agricultural production facility for purposes of causing harm to that facility or its owners. The Iowa statute was modeled after the Idaho Agricultural Security law that the IDA, together with all of Idaho agriculture, supported back in 2014. You will recall that Idaho's statute also faced immediate legal challenge. Ultimately, the Ninth Circuit Court of Appeals upheld key provisions of Idaho's Interference with Agricultural Production law, Idaho Code § 18-7042. As explained by the Ninth Circuit, “The overall purpose of § 18-7042 is to protect agricultural production facilities from interference by wrongful conduct.” Idaho’s law made it a misdemeanor crime for a person to make misrepresentations to producers in the hiring process, in making entry on a farm or ranch, or in obtaining records of a producer. The Ninth Circuit upheld as constitutional those provisions prohibiting obtaining records and employment by misrepresentation. The Court further ruled that Idaho’s generally applicable law of trespass holds that it is trespass to obtain consent to entry upon property by fraud or misrepresentation. These provisions, written and advocated by Idaho dairy producers, are now serving to form the basis of similar protections be granted to farms and dairies in Iowa, and it is expected other states will follow.

THE IMPORTANCE OF PRODUCER INTERACTIONS WITH IDAHO LEGISLATORS

During the legislative session we believe it is beneficial for producers to spend time with legislators. The IDA and IDEAL Boards had meetings that coincided with the Food Producers Ag Allstar banquet held in January and the Larry Branen Idaho Ag Summit held in February. The legislative committees we engage with the most are the House and Senate Agricultural Affairs Committees. During the January meeting we extended an invitation to the House Agricultural Affairs Committee to join us for lunch. In the February Board meeting the Senate Agricultural Affairs Committee joined the Board for lunch. In addition, Rick Naerebout, presented in each Committee on the state of the Idaho’s dairy industry.

Annualy, IDA hosts a legislative banquet to which we extend an invite to all legislators to attend. This year we served over 200 people. That number included over 55% of the House members, 70% of the Senate members, the Director of the Idaho Department of Agriculture, the Director of the Idaho Department of Commerce, and Governor Brad Little. We featured our partnership with the University of Idaho in the development of the Center for Agriculture, Food and the Environment - CAFE, highlighting our recent land purchase in Minidoka county for the project.

INTRODUCING LINDA SCHOTT

Linda Schott, Ph.D., Assistant Professor, Extension Specialist - Nutrient and Waste Management

Greetings! I am the new Nutrient and Waste Management Extension Specialist with the University of Idaho based in the Twin Falls Research and Extension Center. I moved to Idaho in mid-December from the Midwest. Originally from central Iowa, I earned both my Bachelor’s and Master’s degrees from Iowa State University in Agricultural Engineering before moving to Nebraska to attain my Ph.D., which is also in Agricultural Engineering, from the University of Nebraska-Lincoln. As a lover of all things outdoors, I am loving southern Idaho so far. The winter here has been much milder than what it has been in the Midwest.

Broadly, my doctoral research focused on the effects of livestock manure on soil health properties while my masters research focused on the impacts of conservation practices on water and soil quality. I am passionate about working with producers to address barriers to crop production and improving soil health through research, demonstration, and outreach. While in graduate school, I heard the phrase ‘turd nerd’ to describe the people doing manure management work. I think that term fits me well. Manure and compost are amazing soil amendments that don’t always get the credit they deserve. I will work hard to give manure and compost the recognition they deserve as amendments to improve soil health.

Since coming to Idaho three months ago, I’ve been working to understand the agricultural system in the Magic Valley. I’ve attended a lot of meetings and workshops about cropping and livestock systems and soil health in the region. While those have all been informative, I think that the best way to learn about agricultural production is by talking with producers one-on-one. I’d love to hear about the practices that you all are doing related to manure management, soil fertility, and crop and livestock production. I’d also love to hear about any ideas you have on what I should be researching based on challenges that you all face with agricultural production related to nutrient and waste management, manure testing, or soil health. My email address is lschott@uidaho.edu and my phone number is 208.736.3629. I look forward to meeting and working with you all in the future, and I look forward to aiding Idaho Dairymen in any way I can.

SAWTOOTH LAW OFFICES, PLLC

FROM THE UNIVERSITY OF IDAHO

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A GLOBAL PERSPECTIVE ON THE MILK INDUSTRY: HIGHLIGHTS & STATISTICS
Bob Matlick, Frazer LLP

IT’S A BIG WORLD OUT THERE
When I began my dairy-related career as a banker in 1978, 55 lbs/milk/cow/day was considered good. Exports were never monitored or discussed in milk pricing and milk was processed and sold on a local or regional basis. Fast forward 41 years and that 55 lb. cow might be beef and we use the term export in all milk pricing conversations.

In late January, I attended the International Dairy Foods Association (IDFA) conference in Orlando Florida, along with processors, risk managers, producers, and end users from around the globe. I have attended this conference over the past several years and always found it insightful especially in bringing a global perspective to the milk industry. This year the global presence/impact of supply and demand of milk on a global perspective was a very powerful message. The US dairy industry has moved from a “local” market to a global market and your neighbor down the road is no longer your only competitor. Now, producers from around the globe are vying for the same market. The following pages have some conference highlights and statistics.

WORLD MILK PRICE*
2000 – 2006 $11.00 per cwt.
2007 – 2016 $17.30 per cwt.
2017 – CURRENT $15.20 per cwt.

The world market price is the major driver for US milk price. There is a strong correlation in the world milk price average and the US milk price average from the period between 2006 and 2018, with an exception for the years 2016 to 2017, where the US was somewhat higher, the proof I needed that we are in a competitive global market.

CHANGING FAT/PROTEIN CONTENT USA
2007 – 2017*
PROTEIN-AVERAGE
2007 – 3.055%
2018 – 3.150%

FAT-AVERAGE
2007 – 3.655%
2018 – 3.855%

As the industry in general strives and achieves more components, we should focus on Energy Corrected Milk (ECM) growth as opposed to natural flow to measure national and global supply.
From a global perspective, milk processing is not centered in North America.

2019 – 2030 PROJECTIONS

SUPPLY/DEMAND*

OCEANIA
Milk Supply Growth +1.5% per year
Domestic Demand Growth +0.4% per year

USA
Milk Supply Growth +1.8% per year
Domestic Demand Growth +1.2% per year

2030 Projection United States is moving from 105% self-sufficiency to a projected 113% in 2030.

Supply growth is centered in the EU-28 and U.S. with demand growth centered elsewhere, which has spurred tremendous export competition.

THOUGHTS

Bottom line observations are that the dairy industry is in a global market and milk price is a world competition. The US and its processors need to strengthen trade with continents where deficit milk and a growing middle class is projected in the upcoming years (e.g., China, Asia, and Africa). Currently it appears that the US may be lagging the EU and NZ in establishing trade in those areas and must increase its focus in competing on the world market. Also, producers need to give thought to improving components (ECM) that will compete internationally and evaluate the impact of the various consumer demands globally, including plant-based beverages.

Bob Matlick
Frazer, LLP
559.732.4135
bmatlick@frazerllp.com
www.frazerllp.com

*Dr. Torsten Hemme IFCN Dairy Research
**McKinsey & Company - Worldwide Consulting 2019
Michael Strickland, assistant professor in the College of Agricultural and Life Sciences Department of Soil and Water Systems, has been awarded the National Science Foundation Faculty Early Career award to determine the effect that agricultural antibiotics have on soil food webs and ecosystem processes.

The $651,698 award will span five years. It supports Strickland’s research of the variation in antibiotic resistance across different soil types, the effects of antibiotics on microbes and other soil organisms and the interaction between antibiotic resistance and global change.

This project will develop training for graduate students and curriculum materials for middle school students to explore soil health.

Michael Strickland’s work will help Idaho producers and others worldwide maintain a safe, healthy and abundant food supply,” CALS Dean Michael Parrella said.

Strickland was one of two U of I faculty members to win the prestigious award this year and among eight researchers campus-wide who received funding through the program.

Strickland, who joined the CALS faculty two years ago, is helping to plan the agronomic future for the Center for Agriculture, Food and the Environment (CAFE) initiative.

Recently, the college partnered with the Idaho Dairymen’s Association to purchase property near Rupert from the Whitesides family and kickstarted formal research planning for CAFE. CALS researchers including UI Extension irrigation specialist Howard Neibling, Soil and Water Systems Department Head Jodi Johnson-Maynard, Strickland, Linda Schott and others will work with industry partners to get the gears turning.

One important asset the CAFE purchase offers is a natural soil profile that has not yet received manure applications. The research team can begin gathering data on soil microbes, productivity and other features before cattle arrive.

When the dairy does begin operations, research can shift to monitoring manure inputs and their effects on the Magic Valley’s often diverse crop rotations. Typical area dairies use manure inputs as nutrients for barley, alfalfa, corn, sugar beets, potatoes, beans, cereals and alfalfa, and other forage crops.

CAFE presents an ideal opportunity for a decades-long research project to develop nutrient management practices that can support the sustainability of the dairy and agriculture industries and the environment.

The new research initiative follows by more than a century of the Milner and Minidoka dams’ “magical” transformation of a valley into a productive agricultural powerhouse. Some 25 years ago the dairy industry again dramatically changed the Magic Valley’s economic and social structure.

The chance to start at the ground level and monitor, test, adapt, and enhance agricultural practices is a rare one and one that will provide clear benefits and others unforeseen.
African Swine Fever (ASF) is defined as a highly contagious hemorrhagic viral disease of domestic and wild pigs and it’s getting a larger share of our attention recently. Over the past few months, the focus is shifting ever so slightly away from stale “trade war” rhetoric towards the rapidly spreading African Swine Fever in China. This is a truly fascinating and unprecedented event taking place, which is changing the global agricultural trading landscape today.

First, it’s becoming a widely held belief that China is concealing the severity of this issue – and has been since August when the first ASF case was made public. So far China has made about 120 ASF cases public, which seems like a joke to me considering Vietnam – with their much smaller herd - has already reported well over 200 cases since the beginning of February!

Word from sources who’ve recently attended major feed conferences in Vietnam remark that there is building concern about ASF spreading into other countries, such as Thailand. Overall everyone in Asia is deeply concerned about the impact on feed demand as hog herds continue to be decimated. And they should be.

FCStone’s chief economist, Arlan Suderman, recently made a bold statement that Chinese hog feeding is down by at least 30% from this time last year. Thirty percent! This number is nothing short of absolutely mind boggling when you understand that China’s herd is roughly at 440 million hogs. Comparatively the US has a “modest” 73 million hogs. What do these numbers mean? To cover a 30 percent shortfall in China’s herd it will take the annual production from the US, Canada, Mexico, and Brazil combined!

[Continued on next page]
Our FCStone colleagues in China are estimating that it may take 5 to 7 years to fully restore the Chinese hog herd! Other estimates are calling for 4 years to restore the herd which assumes the government will heavily subsidize farmers to rebuild and modernize the industry. All of this begs the question: how will this impact Chinese feed demand going forward?

China buys roughly 200k metric tons or 440 million pounds of whey products from the US per year. On the surface, if hog feeding in China is down by 30 percent today, we imagine the largest impact can and will be felt in the already oversupplied soybean market. But there is another piece to the feed puzzle. To have an honest conversation about feed in China, we really must consider the impacts to whey demand.

Piglets consume whey permeate, which is rich in carbohydrates for the first 4 weeks of their life before they are steadily weaned to consume more soybean meal in their ration. This impacts you because Idaho is a major player in the WPC80 and permeate export markets. FCStone estimates about 16% of whey permeate is exported to China, and that totals to over 50% of all US whey permeate exports. After digging into those export numbers, we see a sharp reversal in global trade for carbohydrates to China.

Back in late 2015/early 2016, Chinese whey imports from the US dropped significantly due to poor demand, and whey prices bottomed out in the low 20 cent range. If you look at the whey carbohydrates exports chart we are seeing the same pullback as late 2015. This time around we have export competition coming from marginal Eastern European suppliers. You have to conclude with this type of demand destruction in China that we may experience another downturn to the 20s in the whey market.

China needs to feed its people and people are creatures of habit. Pork is almost a religion in China. China pork consumption per capita is roughly 90 pounds/year vs the US’s roughly 65 pounds/year. In our opinion there is little reason to believe that there will be some sort of long-term shift away from beautifully fat pork products to boneless, skinless chicken breasts in China. As their economy grows, they want more animal protein/fat in their diet – not less.

Moreover, the quickest way to an unstable society is to allow food insecurity to run rampant. Xi Jinping and the Chinese leadership know this and the way to limit unrest is to solve the swine fever issue by both increasing imported pork – and rebuilding their domestic hog market post haste. Those little piglets need to be fed whether they’re outside of Beijing or Dubuque and whey will likely continue to play a role in feeding.

Comments in this article are market commentary and are not to be construed as market advice.
Producers can all agree that the Environmental/Nutrient Management Plan (E/NMP) inspection is the least favorite part of their job. For some producers, inspection time can be stressful as they scramble to find a copy of their NMP, soil test results, and other management records. In most cases, inspections occur once annually and depending on the size of the facility, take one to two hours. It is recommended to have the following records and documentation available to make the best use of time and to help take the stress out of E/NMP inspections.

First, inspectors will verify that the plan is up to date and that current livestock numbers (+/-10%) are in-line with the numbers outlined in the NMP. Remember, if livestock numbers increase or decrease by more than 10%, producers will need to have an updated NMP.

If available, have construction/approval documentation for all nutrient containment structures on the facility. It may be necessary to schedule an additional inspection of the nutrient containment structures, if no documentation is available. This can be scheduled at the convenience of the producer - ISDA has been very workable on containment inspections. Inspectors will also confirm that lagoon capacity and all nutrient storage areas are accurately reflected in the NMP, maintained, and are adequately protected from runoff and run-on.

Inspectors will review the current year’s crop, crop rotation, and yield. Inspectors are mindful that the crop rotation in the NMP is a projected plan and that environmental conditions and market prices influence the rotation. However, producers need to keep in mind that the nutrient budget outlined in the NMP is based on the planned crop rotation and significant changes could potentially impact the crop uptake values and amount of nutrients that can be applied. Additionally, if there is a >10% increase or decrease in land base for the facility, producers must have an updated NMP.

Soil samples must be collected every year from all fields owned and operated by the facility to which nutrients (commercial fertilizer, dairy by-products, or biosolids) are applied. Inspectors will verify soil test results, including sampling depth. Producers should double check to make sure field names on the soil test results line-up with the fields outlined in the NMP. If field names do not match-up with soil test results, producers need to work with their certified soil sampler to get that corrected for future sampling events. Records should be maintained for five years to track soil test trends.

Have a record of all nutrient applications including; field name, date, nutrient source, application rate, and application method. These application rates must be in-line with the rates outlined in the NMP. It is highly recommended to analyze all sources for nutrient concentrations and have those results available at inspection. Have up-to-date third party export records including; nutrient source, date, amount (ton or loads) and contact information for each party receiving dairy by-product.

Finally, if producers are utilizing the Phosphorus Site Index (PSI) as their nutrient management standard, they should have a copy of their PSI risk score for each field owned and operated by the facility. Inspectors will verify risk scores and Best Management Practice (BMP) implementation and maintenance. Remember, PSI risk scores need to be updated annually with current soil test values and application methods and rates.

Producers, if you are coming upon inspection time and are having trouble finding documentation and getting organized, contact your nutrient management planner. Most planners have this information available and can easily send it your way. As always, feel free to reach out if you have any questions or need assistance preparing for your next E/NMP inspection.

QUESTIONs?
MEGAN SATTERWHITE
208.420.6795
megan@idahodairymens.org

TANYA OLDHAM
435.660.9501
tanya@idahodairymens.org
Today’s labor shortage is taking a toll on dairymen across the state of Idaho. With the national unemployment rate at 3.8%, there are few people looking for jobs and even fewer with dairy experience. Because of this labor shortage and the dire need for employees, producers may have no choice but to ask existing employees to work longer hours than normal, or hire employees who are younger than they typically prefer. The purpose of this article is to remind producers of some important laws that may require employees to be paid overtime, and laws that apply when employees under the age of 18 are hired.

**OVERTIME**

The general rule is that producers are not required by federal law to pay an overtime rate to most agricultural employees. However, depending on the scope of work and the nature of the operation, there may be special exceptions where some employees must be paid overtime when they exceed 40 hours in a work week. It is important to know when this exception may apply, as penalties may be steep if a wage violation is found.

The Fair Labor Standards Act (FLSA) provides an exemption from overtime pay for those “employed in agriculture.” This definition is broad, and will exempt most employees on a dairy. For example, any employee who is directly involved in caring for and handling the dairy herd will be exempt from overtime pay. This includes employees like milkers, herdsmen, feeders, and calf handlers. Employees whose tasks...

With the national unemployment rate at 3.8%, there are few people looking for jobs and even fewer with dairy experience.
are necessary and subordinate to the dairy are also exempt from overtime pay. This includes employees who do secondary tasks for the dairy, such as those who artificially inseminate cows, harrow corrals, and repair equipment. Therefore, federal law does not require producers to pay overtime to employees who perform any combination of these tasks.

However, if the dairy is also engaged in a secondary business, such as processing milk, then a producer enters a grey area, and may have to pay overtime to some employees, depending on the circumstances. For an employee to be exempt, the following requirements must be met: the employee's tasks must be completed (1) on a farm, (2) for that farm specifically and cannot relate to farming operations on any other farms, (3) the tasks are part of the agricultural activity, and (4) the tasks are subordinate to the farming operations of such farmer or on such farm. For example, if a producer processes his own milk, then the employees who help process the milk will only be exempt from overtime pay, according to this test, if the milk processing plant is located on or near the dairy and only that producer’s milk is processed there. If a producer owns a milk processing plant and also processes other producers’ milk, then the employees who work there would no longer be exempt and overtime pay would be required.

As you can see, this test can create confusion and may produce different outcomes based on the nature of the operation and the activities it performs. If a producer fails to pay overtime to an employee who is performing non-exempt activities, backpay will likely be ordered and penalties can range from $1,964 for each civil violation, or up to $10,000 for each criminal violation. A court may also prohibit the milk from being sold or shipped. In addition to federal penalties, state law also allows for employees to bring wage claim actions, where they may recover attorney’s fees and three times the amount of unpaid overtime found due.

Therefore, producers are encouraged to take a close look at their employees' tasks to ensure that they fit squarely within the exemption if they are not currently paying employees an overtime rate when they work more than 40 hours in a week. EMPLOYMENT OF YOUTH

In general, a minor age 16 or older may be employed to perform any task on a dairy at any time. However, producers are highly encouraged to work with minors who are still in school to create a schedule that does not conflict with school hours. If a minor insists on working during school hours, then a producer is encouraged to get parental consent to employ that minor during school hours.

If a producer hires a minor that is younger than 16, then special rules apply. Idaho law provides that minors under the age of 16 may not be employed during school hours, before 6:00 AM, or after 9:00 PM. Employment may also not exceed more than 54 hours in one week, and may not exceed more than 9 hours in one day. The only way a minor can work during school hours is if a special exception applies, such as if the minor has already graduated high school, has been permanently expelled and is not required to attend another school, or if the minor has been excused or is prohibited from compulsory school attendance for some special reason.

Minors younger than 16 are also prohibited from performing tasks that the Secretary of Labor has declared hazardous, unless the youth is working on a farm owned or operated by the minor’s parents, or holds a certificate of training to perform the task. Some of these tasks include operating a tractor of over 20 PTO horsepower, or connecting or disconnecting an implement or any of its parts to or from such a tractor; operating a hay baler, hay mower, feed grinder, or similar equipment; working in a pen occupied by bulls or cows with newborn calves; working from a ladder at a height over 20 feet; working in a manure pit; handling or applying toxic agricultural chemicals identified by the words “danger,” “poison,” or “warning” on the label; or riding in a tractor as a passenger or helper. This is not a comprehensive list. For a full list of tasks declared hazardous, please see https://www.dol.gov/whd/regs/compliance/whdfs40.pdf.

Producers are not encouraged to hire minors who are 12 or 13 years old. However, it is technically permitted by law for those minors to work outside of school hours in non-hazardous jobs if the farm also employs their parents, or if they have gained written parental consent.

If a producer chooses to hire a minor under the age of 18, then the producer is required to maintain the following records in addition to records required by other laws: name in full; place where the minor lives while employed; date of birth; and written parental consent if consent is required.

If a producer violates the federal child labor laws, then the producer may be subject to substantial penalties that range from $12,278 to $113,894. To prevent an unintentional violation, producers should request an age certificate from the minor to prove that the minor is old enough to perform the task the minor was hired for. It is not required, but will protect a producer from a penalty if a minor was found to have not been truthful about his/her age.

Although a producer may inspect a minor’s driver license or other form of identification to help determine a minor’s age, inspecting these traditional forms of identification will not be enough to protect a producer from a violation because they could be fake or altered. The only way for an employer to absolutely protect itself from a child labor law violation is to get an official certificate of age from the Department of Labor. The minor must request this certificate from the U.S. Department of Labor and submit the proper documentation for review. The contact information for the Southwestern and Eastern Idaho office is to the right.
SAFETY RESEARCH & OSHA REPORTING
Ryan DeWit, Dairy Worker Training & Safety Director, IDA Consulting Services, Inc.

We work closely with Drs. Hagevoort and Douphrate on our Worker Training & Safety Program. Several of you have met them or seen their work. They have done some innovative research that we wanted to highlight below.

JOB FACTORS & MUSCULOSKELETAL SYMPTOMS AMONG PARLOR WORKERS
Dr. David I Douphrate, Associate Professor at University of Texas School of Public Health in San Antonio has partnered with Dr. Robert Hagevoort, Dairy Extension Specialist at New Mexico State University to conduct multiple research projects aimed at determining worker health and safety needs among farms in the New Mexico-Texas dairy region. Research projects have also evaluated intervention effectiveness in enhancing worker safety, productivity and efficiency. This and future reports will provide brief overview and update of research projects and their findings.

Background: Working in large-herd milking parlors can be physically demanding and fatiguing. Long work hours, repetitive motions, awkward postures, and forceful muscle exertions can lead to fatigue, diminished performance and even injury among parlor milkers. A follow-up investigation sought to identify job factors involved with parlor milking, and their possible associations with the development of work-related musculoskeletal symptoms among parlor workers.

Methods: A total of 450 parlor workers (Texas, New Mexico, Colorado, Utah and South Dakota) were surveyed for work-related musculoskeletal symptoms and milking parlor job factors.

Results: Work-related musculoskeletal symptoms are prevalent among parlor workers as nearly 80% report one or more symptoms, which are primarily located in the upper extremities, specifically shoulders and wrist/hand. Several milking parlor job factors were found to be associated with musculoskeletal symptoms in multiple body regions, including performing the same task repeatedly, limited or insufficient time for the body to rest/recover, static postures, reaching overhead, and challenging environmental conditions (heat, cold, humidity or wet conditions).

Takeaway Message: Parlor work is physically demanding. Several inherent job factors influence the development of aches, pains or discomfort among parlor milkers, which may also influence a worker’s milking performance. Findings from this investigation will lead to the development of job structure or engineering solutions aimed at reducing exposures to job factors known to be associated with the development of work-related musculoskeletal symptoms among parlor workers. These developed solutions will simultaneously improve worker efficiency, productivity, and ease of work.

A copy of this published study can be obtained by contacting Dr. David Douphrate (david.i.douphrate@uth.tmc.edu) or Dr. Robert Hagevoort (dairydoc@nmsu.edu).

Future research updates will include studies involving muscle demand comparisons among workers in different parlor configurations, milking cluster design evaluations, teat scubber evaluations, worker fatigue and performance, and mobile safety training evaluation.

OSHA RECORDKEEPING & REPORTING FOR DAIRIES
I have written an article in the past about OSHA recordkeeping and reporting, but I wanted to reemphasize it at the beginning of the year. Not only is this something your Workers Comp. company might already be asking you to do, but it is also a best management practice. It is a great tool to track any trends in the injuries or illnesses you and your employees might be experiencing.

If OSHA were to come inspect your dairy, your injury and illness records are required to do so. The 2018 300A electronic form submission was due March 2nd. All forms can be found online at https://www.osha.gov/recordkeeping.

QUESTIONS?
Ryan DeWit
806.265.5390
ryan@idahodairymens.org

OSHA 301-Injury & Illness Incident Report
» Fill out for individual incidents as they happen throughout the year.
» Incidents include: death, loss of consciousness, days away from work, job transfer, or medical treatment beyond first aid.

OSHA 300-Injury & Illness Log
» Keep track of them on this sheet (Calendar year January – December).

OSHA 300A - Summary of the Log
» Summary and verification of the Log (OSHA 300).
» This is the only one that has to be posted.
» Posted from February 1st – April 30th each year.

Additional Points
» These forms are location specific. There must be one for each individual site.
» 300A has to be posted somewhere public such as the breakroom.
» Dairies with 10 or fewer non-family employees are exempt from reporting.

The next step is reporting the 300A Form electronically. Dairies with 20 or more non-family employees are required to do so. The 2018 300A electronic form submission was due March 2nd. All forms can be found online at https://www.osha.gov/recordkeeping.
UPCOMING EVENTS

May 8  Ambassador Training
May 9  Promotion Board Meetings
May 10 IDA Board Meeting - Twin Falls
June 10-12  SelectUSA Investment Summit
June 14 Dairy Growth Summit

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