

## **NEAFA News**

First Quarter 2013

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#### Attention Members: New Newsletter Format

This newsletter is the first edition of a new approach to our communications. NEAFA News will now be sent on a quarterly basis (January, April, July and October) and we will supplement our communications with email blasts between editions. We would appreciate your comments and feedback.

#### The President's Pen ...

As I reflect on the past two years and my term as President of the Northeast Ag and Feed Alliance, it is with a sense of satisfaction that I consider the growth and success of our organization. I am preparing to hand over leadership at the annual meeting in February I feel confident about the future and continued success of the Alliance.

During my tenure as president I had the opportunity to meet with commissioners and secretaries of agriculture from Maine, Massachusetts, New York, New Hampshire, Connecticut and Vermont as well as state legislators, federal agency staff and staff of federal delegates. I also visited with faculty members and administrators from



Cornell, the University of Vermont, the University of Connecticut, the University of New Hampshire and the University of Maine at Orono. The Alliance plays a vital role in communicating the position of livestock producers and the feed industry to these stakeholders. Members of these organizations are now reaching out to us for assistance on policy issues and input into program development; assuring that our interests are considered in legislative, educational and regulatory issues at the state and federal level.

The strength of the Alliance comes from our members and their willingness to serve the organization. As we continue to implement our strategic plan of education, advocacy and collaboration on issues of importance to livestock producers and the feed industry, the Alliance membership has shown leadership on many fronts. Over the past year, through the hard work of several committees, we have developed strategies for increased outreach to members, improved approaches to government relations, and increased collaboration with other organizations.

The Alliance was formed in 2004 as a melding of the New England Grain and Feed Council and the Eastern Federation of Feed Merchants. As we prepare to celebrate our tenth anniversary in 2014 with a gala event in Orlando Florida, the organization has a strong membership base, an engaged and active membership, capable staff and a strong financial position. Congratulations! In addition, thank you to the members and staff who have diligently contributed to the success we all enjoy.

All the best as the Alliance continues to move forward.

Sincerely,

Art Whitman

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### Tax Payer Relief Act: Mixed Bag For Agriculture

As part of the congressional agreement that was passed to avoid the fiscal cliff, the 2008 Farm Bill was extended through the 2013 crop year, and will now expire on Sept. 30, 2013. The extension of the current farm bill was hailed by some in the agricultural sector as a nimble piece of legislation assuring continuity in programs vital to farm productivity while several members of Congress as well as by many agricultural organizations were hoping for reform in ag policy with a new bill and viewed it as a big disappointment.

The American Taxpayer Relief Act kicked the five-year reauthorization of omnibus agricultural legislation into the 113<sup>th</sup> Congress. While the action forestalled the negative economic impacts of the so-called fiscal cliff, such as across-the-board cuts in federal spending mandated by the Budget Control Act and expiration of long-term federal unemployment benefits, the impact on agriculture was met with a mixture of reactions across commodities and interest groups.

Agriculture interests across the political spectrum pushed Congress to include a new, five-year Farm Bill in the fiscal cliff package. Senate Agriculture Committee Debbie Stabenow (D, Mich.) and House Agriculture Committee Chair Frank Lucas (R, Okla.) developed an "extension" package at the 11th hour, submitting it to congressional leadership negotiating the ultimate fiscal cliff compromise. Their "recommendation" carried a new dairy support program, reinvention of disaster programs and cuts in farm program direct payments to pay for the package. Both Republican and Democrat Senate negotiators, however, rejected the ag panel package, saying it risked several budget challenges on the Senate floor. House Speaker John Boehner (R, Ohio), a long-time foe of dairy support programs, argued against the new dairy support language. The Congressional Budget Office (CBO) said the compromise package had an FY2013 cost close to \$1 billion over budget.



In extending the 2008 Farm Bill, Congress used accounting changes to end mandatory funding for those programs which previously were entirely mandatory or a combination of mandatory and discretionary funding. All of those programs now fall entirely within the discretionary spending box. While CBO estimates a cost of about \$5 billion for the 2008 Farm Bill extension this year, the shift in funding status keeps the entire bill below CBO's projected cost of USDA operations for FY2013.

The following are major topics in authority and funding in Alliance priority areas:

Dairy: The Dairy Product Price Support Program is extended through December 31, 2013 and the MILC program is extended through September 30, 2013 to the applause of some dairy groups and the chagrin of others. While dairy producers are glad to have the safety net of the MILC program payments restored, many farm organizations and dairy groups are very disappointed that a revised dairy support program was not implemented. New Hampshire Commissioner of Agriculture, Lorraine Stuart Merrill commented in an article in the New Hampshire Union Leader that the MILC program "does provide some measure of protection" for dairy farmers. Both the U.S. Senate and the U.S. House Agriculture Committee had included the "Dairy Security Act" in the new proposals, which had the support of most farm organizations and of many dairy producers. Many experts felt that the revised dairy pricing system would be more equitable for most dairy producers across the country.

<u>Commodities</u>: Current programs, terms and conditions for all commodities for the 2013 crop year, including direct payments for corn, soybeans, wheat and other crops, were scheduled to be discontinued in both the U.S. Senate and House versions of the new farm bill. Under H.R. 8 they are extended through September 30, 2013. Direct payments total approximately \$20-25/acre for many Upper Midwest corn and soybean farmers.

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Sue Kinner Membership & Meeting Registration sue@nysta.org <u>Conservation</u>: The Conservation Reserve Program (CRP) is kept at maximum acreage enrollment of 32 million acres, but the voluntary public access program, which enjoyed \$50 million in mandatory funding, now is authorized at only \$10 million in discretionary spending.

<u>Disaster Assistance</u>: The new law authorizes USDA to spend discretionary dollars on four disaster assistance programs that expired at the end of FY2011. Authorized for <u>both</u> FY2012 and FY2013 are: \$80 million a year for livestock indemnity payments; \$400 million a year for the livestock forage disaster program; \$50 million a year for emergency assistance for livestock, honeybees and farm-raised fish, and \$20 million a year for the tree assistance program.

Compiled from Corn and Soybean Digest, Focus on Ag January 8, 2013 and The American Feed Industry Action Advisory, January 8, 2013, New Hampshire Union Leader January 6, 2013.

## FDA Releases Rules Under The Food Safety Modernization Act

On January 4, the FDA released two long expected rules under the Food Safety Modernization Act (FSMA). The produce safety rule (547 pages) and the preventive controls rule (680 pages), will take time to fully digest and understand. The rules released for comment apply only to human food although the animal food rules are expected to mirror the human food rules. The FDA is expected to release rules pertaining to animal food facilities sometime in the next month.

North Carolina Commissioner of Agriculture Steve Troxler, who is also the current President of the National Association of State Departments of Agriculture (NASDA), applauded the announcement of the publication of the rules. "The FSMA and these rules represent a significant step forward in protecting the American public by focusing on prevention," said Troxler.

Some vegetable growers view the produce safety rule as prohibitively restrictive and are concerned with the cost of compliance. The proposed rule imposes new standards on produce growers for worker training and hygiene, agricultural water purity, biological soil amendments, equipment, tools and buildings. Exemptions to the proposed rule were carved out for produce commodities rarely consumed raw, produce used for personal or on-farm consumption, produce that receives a "kill step" to reduce the presence of microorganisms and farms with average annual sales of \$25,000 or less. The FDA's cost benefit analysis of the produce rule indicated compliance costs of \$13,000 to \$30,000 per year for impacted growers.

The new law, and the rules just announced, place an emphasis on prevention. By determining the points in the production of foods where risks may exist and by requiring adequate protection measures be put in place, there is a reduction in the potential for risks to reach consumers. The concept of "preventive controls," will be universally advanced by the FDA as FSMA is implemented.



Large scale producers of food normally eaten raw, such as greens, will be the initial focus of the Produce Rule recently released by the FDA as part of the Food Safety Modernization Act.

### Farmers Engage in Water Quality Program Review



During the summer of 2012 the Vermont Agency of Agriculture (VAAFM) and the Vermont Department of Environmental Conservation (VDEC) hosted a series of focus groups, open farmer discussions, and organizational meetings throughout Vermont with farmers and other water quality stakeholders as part of the Lake Champlain Phosphorus Pollution Initiative. The focus groups provided the opportunity to discuss incentive based and regulatory programs to address phosphorous pollution.

The Phosphorus Initiative is designed to seek input and build consensus among water quality stakeholders on ways to reduce phosphorous pollution *and*maintain a viable and sustainable agricultural sector that provides additional benefits to the Vermont landscape.

On December 19th approximately 25 farmers met with about 30 representatives from NRCS, the Lake Champlain Basin Program, VAAFM and VDEC in St. Albans, Vermont as a culminating event of the Lake Champlain Phosphorus Pollution Initiative. A similar meeting was held on December 7<sup>th</sup>in Middlebury, Vermont.

The Goals of the Stakeholder Process were to:

- provide information on phosphorous pollution issues;
- review the effectiveness of existing programs;
- identify new and innovative regulatory and voluntary approaches;
- consider challenges, barriers and opportunities to such approaches;
- generate, evaluate, and prioritize options.

The dairy farms represented at the St. Albans meeting ranged in size from herds of 45 to over 900 milking cows. Most of the farmers were early adopters of water quality practices and many were large enough to be regulated under Vermont's medium farm and large farm permitting programs.

The farmers broke into small groups to discuss proposed changes to agricultural water quality regulation and cost share incentives in Vermont. Regulatory suggestions developed by the farmers and presented to the entire group included:

- increased water quality regulatory oversight of all farms, regardless of scale;
- increased regulation of manure applications;
- support for regulatory exclusion of animals from waterways;
- support for mandatory water quality education including class attendance;
- desire for flexibility in application of regulations based on site specific criteria;
- support for increased technical assistance and educational opportunities for water quality.

There was a wide range of opinions expressed by the farmers regarding development of nutrient management plans. The cost, paperwork, and perceived value of the plan for farm management were all seen as negatives.

The input gathered from the stakeholder process will be utilized during the Vermont 2013 legislative session to address regulatory and cost share issues.

# <u>Falling Snow and Frigid Temperatures:</u> <u>Consider The Dairy Workforce</u>

Winter udder health, minimizing calf stress and tips for protecting the herd from 'old man winter' are often popular topics in dairy media during this time of the year. While there are thousands of articles on udder health and calf management, rarely do any of them discuss the workers who perform these jobs in extreme weather conditions. Are we taking care of our workforce that in turn protects our herds from Mother Nature's most severe elements?

According to Jorge Delgado, Alltech On-Farm Support Program manager, dairy owners need to remember that most of their Hispanic workers have probably not dealt with snow or extremely low temperatures in the past. Delgado offers these five tips for dairy owners to share with the employees milking, bedding and feeding their cows.

- 1. Both female and male employees should wear leggings or thermal underwear under their pants. Wool and fabrics such as silk and propylene will keep them warmer than other fabrics. Keep in mind this may be something completely new for a lot of them.
- 2. Blouses and shirts should have sleeves that hug their wrists and should be worn tucked in to keep in body heat.
- 3. Have them wear heavy socks to keep their feet warm (two or three pairs). Wool socks are best. Cotton socks should be avoided. Make sure they are wearing boots that are insulated and waterproof. If possible, provide shoe-boot dryers in locker rooms.
- 4. Provide milkers with gloves they can use underneath milking gloves to keep their hands warmer.
- 5. A lot of the companies dairies do business with provide stocking hats that can go over head and ears. Ask for a bunch for your workers so they can be protected from the heat that escapes from their heads.



Jorge Delgado, Alltech On-Farm Support Program, completes a winter audit on a dairy located near Richmond, Minnesota

Delgado also suggests dairy owners make sure their operations include:

- Heat blowers in the parlor: Make sure they are working. In many dairies, parlor heaters
  may not work properly or not work at all. Fix the heaters and doors on skid steer
  loaders.
- Have some rock salt. Rock salt helps melt the ice on slippery surfaces and, mixed with sand, can provide temporary traction on holding areas and stairs in the parlor.
- Have plenty of drinking water in the parlor to keep employees from getting dehydrated.

"Tell your workers doing chores outdoors, it is ok to take adequate breaks from the cold," Delgado said. "These are the people taking care of your animals. Remember that this is a new experience for most of these guys, and they deserve to be treated with respect."

#### **ASSOCIATION NEWS**



### DON'T DELAY - REGISTER TODAY! February 4-5, 2013

Northeast Ag & Feed Alliance is once again returning to the Albany Marriott on Wolf Road in Albany, NY for our 2013 Annual Meeting. You won't want to miss our top notch

speakers!

#### Farmer Panel to be Featured Monday Afternoon!

Monday's program will feature Dr. Greg Bethard on the New Economic Paradigms of Dairy Farming. Greg will also moderate a distinguished dairy farmer panel that includes:

> Mr. Neil Rejman, Sunnyside Farms, Scipio Center, NY, Chairman, Northeast Dairy Producers Association

Mr. Steve Kayhart, Kayhart Dairy, Vergennes, VT

Mr., Kim Koehn, High Plains Dairy, Plains, KS

#### **Featured Speakers Include:**

Mary Ledman, Keough, Ledman Associates
Dennis Gartman, The Gartman Letter
Jeff Simmons, Elanco Animal Health
Breakout Sessions Include:

Commodity Markets Outlook Business Succession Planning Communicating with Consumers Food Quality Protection Act Update

#### Special Spouse Surprise Activity Tuesday Afternoon

Hint: It involves cooking!

Registration and sponsorship information is available on our website at: www.northeastalliance.com

Not sure if you are registered? Click here for our most current registration list.



Click here for more information on our host city ...

#### MARK YOUR CALENDARS!

Northeast Ag and Feed Alliance--Green Mountain Dairy Assoc.
DAIRY LEGISLATIVE RECEPTION

WEDNESDAY, FEBRUARY 20, 2013 4:00 - 6:00 p.m.

CEDAR CREEK ROOM STATEHOUSE Montpelier, Vermont

Northeast Ag and Feed Alliance New York Lobby Day TUESDAY, MARCH 19, 2013 10:00 am - 3:00 pm



Details to follow

#### **INDUSTRY NEWS**

## Cargill Completes Asset Purchase Agreement of Pennfield Corporation

Cargill recently announced it has secured the winning bid to complete the acquisition of two animal feed mills from Lancaster, Pennsylvania-based Pennfield Corporation for \$9.8 million in a bankruptcy proceeding. The acquisition was finalized January 21, 2013.

Under terms of the agreement, Cargill acquired Pennfield's animal feed mills and associated assets located in Mount Joy and Martinsburg, Pennsylvania. Pennfield Corporation, during its 93-year history as a business, was a supplier of animal nutrition and services over a multistate region of the eastern United States.

"We are thrilled to add Pennfield's state-of-the-art facilities and knowledgeable employees to the Cargill family," said Rob Sheffer, group director, for Cargill's Northeast region. "The deal not only expands our footprint in the region but it also provides us with additional capabilities and opportunities to serve new customer segments and enhance our offerings for existing customers in the region."

Jennifer Horn, former director of administration and family member of Pennfield will join Cargill as administration team lead, where she will be responsible for overseeing Pennfield customer and employee communications.

### AFIA and K-State Offer Spring HACCP Short Course

AFIA, along with the International Grains Program of the Department of Grain Science and Industry at Kansas State University and the National Grain and Feed Association, has again partnered to offer a course on HACCP. The interactive course, held in Manhattan, Kan., is taught by a unique blend of instructors who provide in-depth training on all aspects of the industry associated with feed manufacturing and feed safety.

Establishing a HACCP Program for the Feed Industry will be held April 1-4. The course focuses on the development of a Hazard Analysis Critical Control Points plan for all sectors of the feed industry, including feed mill managers, quality assurance personnel, and ingredient suppliers.

K-State, in partnership with AFIA and NGFA, has held Feed Manufacturing Short Courses since 1976. These courses are taught by a unique blend of individuals from K-State and within the feed and allied industries and provide in-depth training on all aspects associated with feed manufacturing.

Registration information can be found online at:

(<a href="http://www.afia.org/Afia/EducationMaterials/EventsMeetings.aspx">http://www.afia.org/Afia/EducationMaterials/EventsMeetings.aspx</a>). This high-demand, educational course often sells out quickly, so early registration is suggested.

For questions, please contact K-State's <u>Carlos Campabadal</u> at (785) 532-3187 or <u>Keith Epperson</u>, AFIA vice president of manufacturing and training, at (703) 558-3568.





## LEAD New York Program Accepting Applications for Class 15

The Empire State Food and Agricultural Leadership Institute, also known as "LEAD New York", is now accepting applications for its newest cohort, class 15. LEAD is inviting anyone interested in the program to apply. To maximize the networking opportunity and learning experience, the program looks for candidates from a wide range of interests and background areas. Applications for this competitive and well-respected program are due by March 1, 2013.

LEADNY is a leadership development program for adult professionals in the food, agricultural and natural resource industries of the Northeast. Participants meet monthly from October through April in each year of the program. In the first year, meetings are held at different locations throughout New York State, and the 25 days of training focus largely on self-awareness and leadership skill development. Individuals that successfully complete year one will receive a certificate of completion for the "Leadership Fundamentals" portion of our program, and will be well-positioned to serve in a variety of local leadership roles. At the end of the first year, participants reapply for the second year of the program, which will entail 30 days of commitment and involve more out-of-state and international travel, including a 2-week study tour. Individuals successfully completing the second year of the program will have the distinction of being known as "LEAD Fellows".

This exciting program has had considerable influence on its participants and the businesses and organizations they lead. One recent graduate said: "LEAD has had a more significant impact on how I run my farm than my four-year college degree in agriculture." LEAD NY graduates hold prominent leadership positions in New York State. It would be difficult to look at the leadership of virtually any food or agricultural organization and *not* see at least a few LEAD alumni in leadership positions. Many of the skills developed in our program are precisely the skills leaders need to fulfill their responsibilities effectively, and the professional networks that are built are an asset that alumni benefit from for years. So, LEAD may just be the BEST professional development opportunity available for upcoming leaders!

For more information please contact Larry Van De Valk, Executive Director, LEAD NY Program, Academic Surge B-182, Cornell University, Ithaca, NY 14853 (607) 255 - 7907, ljv4@cornell.edu. Applications are currently available on our website at <a href="www.leadny.org">www.leadny.org</a>.

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

www.northeastalliance.com/newsletter.html

#### Calendar of Events:

#### AFIA & USPOULTRY Poultry Protein and Fat Council's 6th Annual Pet Food Conference

January 29, 2013

Georgia World Conference Center

Room B-401/402 Atlanta, Georgia

For more information: www.petfoodconference.com

#### International Feed, Poultry & Meat Expo

January 29-31, 2013 Atlanta, Georgia

For more information: http://www.ife13.org/

#### **NEAFA Annual Meeting**

February 4-5, 2013

Marriott Hotel - Wolf Road

Albany, New York

For more information: www.northeastalliance.com

#### NEAFA & Green Mountain Dairy Association's Dairy Legislative Reception

February 20, 2013

Cedar Creek Room Statehouse

Montpelier, Vermont

#### Purchasing & Ingredient Suppliers Conference

March 13-15, 2013 Omni Forth Worth Fort Worth, Texas

For more information: www.afia.org

#### NEAFA New York Lobby Day

March 19, 2013

Legislative Office Building

Albany, New York

#### AFIA and K-STATE - Spring HACCP Short Course

April 1-4, 2013

Manhattan, Kansas

For more information: www.afia.org/AFIA/Files/HACCP%202013/HACCP\_BROCHURE\_APRIL.2013.pdf

#### NEAFA/ PRO-DAIRY Herd Health and Nutrition Conferences

April 10, 2013, Syracuse, NY

April 12, 2013 West Lebanon, NH

Sponsorships available

For More information: www.ansci.cornell.edu/prodairy/HHNC/sponsors.html

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