

NEAFA News

First Quarter 2014

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NY Agriculture Commissioner has Strong Industry Roots Many issues to be Addressed

NY Governor Andrew Cuomo nominated vegetable farmer Richard Ball to the post of

Commissioner of Agriculture and Markets on

Thursday January 9th. Pending Senate confirmation, Richard will bring a strong agricultural background to the job. Richard and his family own and operate Schoharie Valley Farms and the Carrot Barn, a 200 acre fresh vegetable farm operation and farm market in Schoharie, NY. Richard brings extensive industry leadership experience with him as a result of leadership posts with the New York Farm Bureau and the NYS Vegetable Growers Association. In addition he lead his community's efforts to recover and rebuild from the devastating effects of Hurricane Sandy and Tropical Storm Lee. The Northeast Ag and Feed Alliance welcomes Commissioner Ball and looks forward to working with him on the many issues facing the agricultural industry. Here is a sample of issues we expect to engage with the Commissioner.



<u>Farm Bill</u>: Still no final resolution but there is light at the end of the tunnel. The Dairy Title is still unresolved despite a strong effort to unify dairy farmers behind one comprehensive plan. The question remains as to whether dairy farmers will be impacted by new risk management based policies coupled with supply control or by traditional programs that are triggered when market prices head south. Despite industry efforts to redirect policies to be more market sensitive, the push back has been substantial. More details are posted below.

Immigration Reform: Still no resolution despite the glaring need for a reasonable guest worker program to provide workers to harvest our crops and milk our cows. In the meantime farm employers, particularly those in the Northeast, are operating under the constant threat of raids by Immigration and Customs Enforcement (ICE) officers who can remove and deport workers under suspicion of false employment status documentation. Resolution of this issue is essential and the latest details can be found in the following article.

<u>GMO Labeling</u>: This issue is seeping into the state legislatures throughout the Northeast. The initiative would require labels on food that may contain ingredients derived from genetic engineered crops (over 80% of corn and soybeans produced in the United States are genetically engineered). State by state legislation promises to establish confusing, costly labeling regulations that will increase food and feed costs and, in some cases, limit food choices to consumers. Citizens in California and Washington State said "no" to labeling referendums. We need to follow suit in the Northeast.

<u>Food Safety Modernization Act:</u> This federal law will impact the feed industry and draft regulations are out for comment. Our initial review identifies some confusing rules and burdensome requirements. NEAFA, along with our AFIA and NGFA partners, will remain engaged to bring reasonable resolution to outstanding issues.

OSHA inspection on dairy farms: This is a new regulatory burden being placed on New York dairy farms. Authorized under a controversial provision that allows the Occupational Health and Safety Administration (OSHA) to declare its authority among farmers within a specific state, this federal

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program is impacting NY dairy farmers that employ over 10 non-family employees. Costly time consuming inspections are going to be a new headache for our dairy farmers. A New York OSHA Workgroup, consisting of NY Farm Bureau, NEDPA, PRO-DAIRY, Farm Credit East, Cooperative Extension and the NY Center for Agricultural Medicine and Health are working to bring education and resources to impacted dairy farmers. More information is available at: www.nycamh.com/osha-ny-dairy-lep.

The Northeast Ag and Feed Alliance will remain engaged in all of these issues because collaboration and advocacy with our agricultural partners, including our NY Agriculture Commissioner, is what we are all about. Don't forget to register for Orlando Annual Meeting and Forum, March 3-5. It is going to be a great event!

Rick Zimmerman



Registration Deadline: February 14th!

Join us to celebrate the Northeast Ag and Feed Alliance's 10th Anniversary March 3-5, 2014 at the Orlando World Center Marriott Resort. We have great program with outstanding speakers. Don't delay! To Register Today click here!

Sponsorship support has been a key component for the Alliance to host such a first rate conference. We want to offer you benefits for your dollars by including exhibit space in almost all of our sponsorship levels. In addition, there are a host of other benefits provided for each level of sponsorship.



Great Networking

Excellent Speakers

Producer Panel Discussion with Northeast and Florida Farmers

Breakout Sessions on Timely Topics

Rick Zimmerman Executive Director rzimmerman@zga-Ilc.com

Louise Calderwood Governmental Relations Director rcalderwod@aol.com

Sue Kinner Membership & Meeting Registration sue@nysta.org

Golf Tournament

Farm Tour

Spectacular Venue!

Please <u>click here to review/print the sponsorship pledge form</u>, and determine what specific event(s) you would like to sponsor.

Don't miss Orlando in March or being part of our 2014 Annual Meeting and Forum.

2012, 2013, 2014 Farm Bill Deal to be Unveiled in January?

Rep. Frank Lucas (R-Okla.), chair of the House Agriculture Committee, and Sen. Debbie Stabenow (D-Mich.), chair of the Senate agriculture panel, reiterated last week they intend to unveil the detailed "framework" for the 2014 farm bill in January and called for a meeting of the full 41-member conference committee.



Lucas and Stabenow want the farm bill done as quickly as possible. One hurdle to that goal, using farm bill savings to pay for an extension of expired federal unemployment benefits, disappeared when House Minority Leader Nancy Pelosi (D-Calif.) said she and Senate Majority Leader Harry Reid (D-Nev.) will push a \$6 billion, three-month extension of those benefits as emergency assistance to give Congress time to extend the full package for at least a year. She said the democrats will not hold the farm bill hostage to pay for the unemployment benefits extension.

While the two ag leaders and their ranking members, Rep. Collin Peterson (D-Minn.) and Sen. Thad Cochran (R-Miss.), remain publicly optimistic the ag program deal will

be approved and a bill set for floor action in both chambers in January, the list of issues left for the conference members to debate is getting longer.

The list includes ensuring the new options to replace direct farm program payments do not violate the General Agreement on Tariffs and Trade; the final number on cuts to the federal food stamp program, now reported to be around \$8-9 billion over 10 years; the new dairy margin insurance program designed to replace current dairy subsidy programs and whether that part of the farm bill will include milk production controls; the so-called King language to federally preempt state laws Representative Steve King (R-IA) asserts interfere with interstate commerce (see below). and conservation compliance as a prerequisite for crop insurance eligibility.

If the King Amendment is passed with the final farm bill, it would:

- Negate state laws imposing more stringent production requirements on out-of-state entities selling a product within the state. For example, although California is slated to outlaw confined egg production in 2015, under the King Amendment, it could not block in-state sale of eggs produced from confinement systems in other states.
- Preempt existing and future state laws requiring GE food sold in-state to be labeled as such.
 No state-level law currently requires the labeling of GE foods sold within the state, although Connecticut and Maine have both passed conditioned laws.
- Prevent states from imposing stricter food-safety standards on out-of-state producers. For example, current California law bans the sale of contaminated oysters from the Gulf of Mexico (Louisiana) unless they are processed to eliminate pathogenic bacteria.

The package proposed in 2013 comes with a big price tag, no matter whose bill you examine. The Senate passed a version in June that would spend \$955 billion from 2014-23. The House passed its farm bill in two different pieces of legislation totaling \$921 billion over a decade.

There are vast differences among the bills, particularly with SNAP (food stamp) policy, and adoption of the Dairy Market Stabilization Program (DMSP). Only found in the Senate version of the bill, DMSP is essential to balance milk supply with demand, a key component to success of the proposed Dairy Margin Protection Program intended to stabilize milk prices. But the two bills do have one thing in common: Each would reduce the deficit, according to the nonpartisan Congressional Budget Office.

Food Safety Modernization Act-Foreign Inspections

Following the fall public meetings on the Proposed Rule for Preventive Controls for Animal Food Facilities, there has been a lull in deadlines for comments on Food Safety Modernization Act (FSMA) rulemaking. The Alliance is taking this break in the action to review FDA inspection programs abroad.

FSMA puts a heavy emphasis on improving the safety of imported foods and ingredients. The announcement that 2% of China's farmland is contaminated as the result of excessive use of pesticides and feed additives, in addition to the heavy metals from industry, confirms the need for inspection of food sourced from oversees.

FSMA takes major steps toward increasing the FDA's



regulation of imported food products and they are applied similarly for food destined for human or animal consumption. One new program is the foreign supplier verification program that will require importers to conduct risk-based verifications to ensure the suppliers are complying with food safety requirements. Importers would also be required to verify that foreign suppliers are not producing adulterated or misbranded food.

FDA estimates the proposed rule has a one-time compliance cost to industry of \$100.74 million, and an annualized compliance cost estimate of \$128.75 million.

The proposed rule would require makers of animal feed and pet food, sold in the US, to develop a formal plan to prevent food borne illness. Facilities producing animal food would be required to have written plans that identify hazards, specify steps to minimize or prevent those hazards, identify monitoring procedures and record monitoring results, and specify what actions would be taken to correct problems that arise.

The proposed rule would also require animal food facilities to follow proposed current good manufacturing practices (CGMP) that address areas such as sanitation. Although the proposed rule is similar to the earlier proposed human food CGMPs, it isn't identical including excluding such practices that don't pertain to animal food, such as allergen cross-contact.

The total number of food import lines for FY 2012 was 11.1 million. FDA physically examined 1.9 percent, or 207,839, of the food import lines. It is important to note that while FDA is not able to physically inspect a large percentage of food entries, all import entries are electronically screened using an automated system, which helps field inspectors determine which products pose the greatest risk and, therefore, should be physically examined.

Immigration Reform

Despite on-going pressure across all sectors of agricultural production and processing, immigration reform continues to face challenges in the US House. Significant headway was made during 2013 with the Northeast Ag Feed Alliance providing leadership in letter writing campaigns and hosting farmer meetings with congressional delegates throughout the northeast. Government Relations Committee Chairman Art Whitman traveled to Washington DC to meet with members of congress and lobby for immigration reform.

Although some right wing conservatives feel the opportunity for immigration reform died with a failed House vote in late 2013, congressional Republicans continue to be pressured to respond to constituent support of immigration reform. Many of the members are from districts where the issue is deeply charged and divisive. With mid-term elections looming, pressure must be maintained on delegates who are unwilling to take a risky position in favor of reform.

House Speaker John Boehner (R Ohio) has repeatedly spoken out in favor of immigration reform. In a November 2013 speech Boehner stated "The only way to make sure immigration reform works this time is to address these complicated issues one step at a time. I think doing so will give the American people confidence that we're dealing with these issues in a thoughtful way and a deliberative way." In January 2014 Boehner restated his support of immigration reform, indicating his approach will be for limited changes, not the major overhaul being advocated by some proreform proponents.

Recognizing the need to build a strong coalition across the Republican party Boehner has recently hired a long time immigration advisor to Senator John McCain (R Arizona) to assist him in his efforts to change immigration policy.

A December report issued by the Pew Research Center indicates that 75% of Americans feel there needs to be major changes to the nation's immigration policy, including 35% who say it needs to be completely rebuilt. While a solid majority of Americans say there should be a way for people in the U.S. illegally to remain, the public is more divided on whether the status should be citizenship or legal residency. Critics of immigration reform feel that foreign workers depress US wages and lead to an increase in income inequality, a statement challenged by the National Bureau of Economic Research.

MEMBER SPOTLIGHT



Afgritech Expands Processing Capacity



Afgritech, LLC, a joint venture owned by Carrs Billington Agriculture in England and Afgri Operations in South Africa, has recently expanded its Watertown production facility. According to National Sales Manager Les Berghorn, the increased production will enable Afgritech to greatly expand its footprint across the northeast U.S.

"We've increased production 45 percent and that number continues to rise annually," said Berghorn. "We've added six 100-ton silos in addition to 14 grain bins, and reduced average

truck-loading time from 40 to 20 minutes. We're working hard to keep up with growing demand from feed companies."

The Watertown, New York Afgritech plant was commissioned in 2011, and services grain manufacturers and distributors throughout the northeast with custom blends of multiple bypass plant proteins for specific dietary properties.

For more information about Afgritech please call (855) 785-3625 or visit www.aminomax.com.



The Story Behind Eagle Supply Company

Eagle Supply Company can trace its roots back to June of 1995 when a group of progressive dairy farmers in Cayuga County, NY attended a special meeting to discuss the possibility of their cooperative providing a bulk buying service. The farms were already purchasing certain inputs collectively, but they knew that by pooling their buying power together they could realize significant cost savings on even more inputs. Combining that realization with the administrative capacity of the cooperative, a model was established for a one-year pilot program to provide bulk buying services to cooperative members in the northeast United States. The effort was named "Project Eagle."

The goal was simple: create cooperative-member value by leveraging bulk buying power to obtain better prices on key farm inputs and offer that price to members.

Doing business as Eagle Dairy Direct and serving members from Dairylea Cooperative Inc. and Dairy Farmers of America, Inc. (DFA) in the Northeast Area, the business flourished as more and more cooperative members realized the value Eagle delivered.

In 2004, Eagle expanded its service offerings to serve DFA's Mideast and Central Areas, serving members principally in Michigan, Ohio, Wisconsin and Minnesota and employing the same model as the northeast with great success.

In 2012, Eagle began doing business as DFA Farm Supplies for all members of DFA and expanded into the rest of the United States.

Today Eagle Supply Company serves thousands of members of Dairylea Cooperative and DFA across the northeast and United States. Eagle offers a full line of farm supplies including Silage Bags and Covers, Silage Inoculant, Seed and Fertilizer, Teat Dips and Chemicals, Milking Equipment, Barn Equipment, Animal Health Products, Bagged Ingredients and Feed Commodities.

For more information on Eagle and our various programs, please call (866) 591-2925 extension 5586 or visit our website at www.eagledairydirect.com.



Feed Ingredient Trading Corp in Delmar, NY is pleased to announce the addition of Michel Jourdenais as merchandiser of agricultural by-products and grains in Quebec. He will also trade into the Maritimes, Ontario, and elsewhere. Prior to joining FITC, Michel spent 18 years at Les

Grains Lac Superieur, LTD in Quebec, trading distillers grains, wheat middlings, gluten feed, and soy hulls. Previously, he had worked five years for Leblanc & Lafrance as a grain trader, and began his career in the agricultural business in late 80's with Westway Molasses. Michel is married with three sons, and loves golf and bowling.



Michel can be reached at 450-441-3790, or on his cell at 514-231-7273. His fax number is 450-441-1405. You can also e-mail MJ at jourdo@videotron.ca.



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And thank you to our current members for your continued support!

SEND US YOUR NEWS!

We often hear that Alliance members enjoy reading about news from members' companies: new hires, promotions, awards, changes to business structures or physical plants - anything you feel is newsworthy that does not promote a specific product or service.

Please send press releases to Louise Calderwood, Government Relations Director, for inclusion in the newsletter, or contact Louise with details and she will happily draft the news for you.

Louise can be reached at 802-586-2239 or rcalderwod@aol.com (note-only one "o")

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

www.northeastalliance.com/newsletter.html



Do you have a position to fill? The Job Opportunities section of our newsletter is a free service for NEAFA members. Please contact Sue Kinner in the NEAFA office to submit your employment ad (sue@nysta.org).

Calendar of Events

AFIA-KSU Advanced Pelleting Course

February 10-13, 2014

Manhattan, Kansas

For more information:

http://www.afia.org/AFIA/Files/KSU%20Short%20Course/2104%20programs/Advanced%20Pelleting%20flyer.pdf

2014 NEAFA Annual Conference & Forum

March 3-4, 2014

Marriott Orlando World Center Resort

Orlando, Florida

NGFA's 118th Annual Convention

March 30 - April 1, 2014

Westin Resort

Hilton Head, South Carolina

For more information: https://events.r20.constantcontact.com/register/eventReg?llr=fdr65vnab&oeidk=a07e8kcluwucbedc46e

NEAFA/PRO-DAIRY Herd Health and Nutrition Conferences

April 8, 2014

Doubletree Hotel

East Syracuse, New York

April 10, 2014

Fireside Inn and Suites

West Lebanon, New Hampshire

For more information: http://www.ansci.cornell.edu/prodairy/HHNC/index.html

Establishing a HACCP Program for the Feed Industry

April 14-17, 2014

Manhattan, Kansas

For more information:

http://www.afia.org/AFIA/Files/KSU%20Short%20Course/2104%20programs/HACCP%20brochure%202014%20April.pdf

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