

NEAFA News

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CFTC Stirs Controversy in Ag and Feed Industry

With adoption of the final rule pertaining to trading restrictions, the Commodity Futures Trading Commission (CFTC) took one step closer to moving the debate across Washington to the federal courthouse on Constitution Avenue.



CFTC Chair Gary Gensler (pictured above) and fellow Democratic commissioners Michael Dunn and Bart Chilton voted in favor, while Republican commissioners Jill Sommers and Scott O'Malia opposed the final rules. The expected challenge to the CFTC ruling will likely set up a major clash between the Obama administration and the congressional Democratic Party on the one hand (all of who want to impose tougher restrictions on trading and banking in the wake of the financial crisis) and Wall Street and congressional Republicans (who oppose attempts to extend regulation as misguided and damaging).

In a statement made soon after passage of the rule, the National Grain and Feed Association (NGFA) stated "While the text of the CFTC's final regulations has not been released yet - and will warrant close examination once it is - the NGFA does conceptually support the CFTC's action to continue to apply speculative position limits for enumerated agricultural commodities, which include grains and oilseeds. We believe speculative position limits are a reasonable way to help prevent investment capital from overwhelming these comparatively small markets and to help promote efficient contract performance for bona fide hedgers."

"This important reform will enhance contract performance and help encourage that convergence occurs in a timely and predictable manner for traditional market participants who are hedging physical commodity exposure."

Critics of the new rule including Sen. Bernie Sanders (I-Vt.) state the changes contain no real teeth to limit oil speculators, and contain unacceptable loopholes to allow major financial institutions to receive bona-fide hedging exemptions so that they would not have to abide by the positions limit rule. Furthermore, many of the steps outlined in the current proposal would not go into effect until mid to late 2013 at the earliest to allow the CFTC sufficient time to gather data for implementation of the new rule.

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802-334-6731 mtetreault@poulingrain.com The NGFA has stated that is does have concerns about the CFTC's interpretation of the bona fide hedge definition contained in the Dodd-Frank law and will be reviewing the final rule very closely with the policy goal of maintaining the bona fide hedging status of commercial hedgers as traditionally applied by the agency.

The NGFA expects it will likely have additional reactions to the CFTC's final rule on speculative position limits once the final regulations are issued and reviewed thoroughly by its Risk Management Committee.

Compiled from Reuters news service and NGFA October 20 statement

Feed Industry Pleased With New Free Trade Agreements

On October 12 Congress passed a trio of bills the implementing three Free Trade Agreements (FTAs) with Panama, Colombia and South Korea. With few exceptions, agriculture and commodity groups - along with the White House, which claims the FTAs will lead to over \$12 billion in new U.S. exports -- have pushed hard for passage.

Agriculture Secretary Tom Vilsack has stated the new FTAs represent the potential to increase agricultural exports by \$20 billion and increase the number of US jobs by 20,000. A coalition of food and agricultural organizations supported of passage of the FTAs recognizing that Korea and Columbia have implemented similar agreements with other countries over the past four months. Immediately upon implementation of these agreements, the majority of American products exported to Korea, Colombia and Panama will become duty-free.

Of these three pending agreements, the U.S.-South Korea FTA would be the most commercially significant for U.S. agriculture since the North American Free Trade Agreement (NAFTA) took effect with Mexico in 1994. Current tariffs on US dairy products exported to South Korea range from 89% to 176%. U.S. dairy producers currently face a system of variable levies from Columbia that results in tariffs as high as 159%. Colombia will immediately eliminate these levies on imports from the United States. Within 15 years all of the tariffs on US dairy imports into Columbia will be removed. Though Panama is a relatively small market, U.S. exporters would have opportunities to make additional sales.

The FTA's eliminate tariffs and other barriers on most agricultural products, increasing export opportunities for a range of New York and New England agricultural products, including dairy, beef, fruits, and vegetables. Agricultural exports from Connecticut, Massachusetts, Maine, Vermont, New Hampshire, and Rhode Island, estimated at \$500 million in 2010, supported roughly over 4,200 jobs, on and off the farm. New York's agricultural exports to all countries, estimated at \$1.1 billion in 2010, supported roughly 9,200 jobs, both on and off the farm.

Compiled from FAS reports, AFIA Newsletter October 2, 2011 and the Delta Farm Press, October 12, 2011

Nebraska Farmers Union Joins Forces with HSUS

The newly formed partnership between the Humane Society of the United States (HSUS) and the Nebraska Farmers Union (NFU) drew a sharp response from the five Nebraska farm groups who earlier this fall organized "We Support Agriculture", a group focused on demystifying production agriculture.

At a Lincoln, Nebraska press conference, NFU and HSUS announced what they call the Nebraska Agriculture Council of the Humane Society of the United States. The intent, what NFU President John Hansen called a positive approach for the state, is for the council to develop welfare standards for raising farm animals and to develop marketing opportunities for those who raise those animals.

"We are shocked and disappointed that any Nebraska agriculture group would align itself with an extreme animal rights organization such as the Humane Society of the United



States (HSUS)," says Pete McClymont, chairman of We Support Agriculture. "Nebraska's farmers and ranchers are caring people who know how to care for their animals properly. They go to great lengths to protect their animals from disease, predators and the harsh Nebraska climate while feeding their families, their neighbors and the world."

McClymont adds, "When we announced the formation of We Support Agriculture, we explained how HSUS works and how it operated in other states. We said they hire a state director, they run a push-poll, they hold organizational meetings and threaten farm groups with ballot initiatives. We said HSUS was starting to do the same things here in Nebraska, and now we see more evidence that HSUS is targeting Nebraskans and our farmers and ranchers."



According to McClymont, John Goodwin, director of Animal Cruelty Policy at HSUS once said, "My goal is the abolition of all animal agriculture."

"We know that HSUS's goal is to make Americans eat less food originating from animals such as meat, eggs and dairy products and to eliminate consumer food choices," McClymont says. "It is clear HSUS does not want to work with Nebraska's leading and respected agricultural organizations, but instead wants to bully them with the threat of a ballot initiative unless we cave in to HSUS's extreme animal rights agenda. Why in the world would we want to work with a group with that kind of extreme agenda?"

At the NFU press conference, Hansen indicated HSUS had agreed not to pursue an initiative petition in Nebraska based on the newly announced partnership. But at the same event, Joe Maxwell, HSUS director of rural development and outreach, said the animal rights group would consider using the initiative process as a last resort.

"This is why we won't sit down with extreme animal rights organizations like HSUS and PETA," McClymont says. "They don't give a straight answer to what their extreme animal rights agenda really is..

"WSA will continue our efforts to build a broad coalition of Nebraskans from across the state that stand behind Nebraska's farmers and ranchers and defend them against this extreme agenda," he adds.

We Support Agriculture consists of the Nebraska Cattlemen, Nebraska Farm Bureau, Nebraska Pork Producers Association, Nebraska Poultry Industries and the Nebraska State Dairy Association.

From the Nebraska Farmer, Oct 21, 2011

INDUSTRY NEWS

Feed Ingredient Trading Corporation Hires Steffensmeier



The Feed Ingredient Trading Corporation is pleased to announce that Ron Steffensmeier , formerly with Kent Nutrition Group, joined their trading staff on October 12, 2011. "Ron brings many years of experience in procuring grain and feed ingredients for the animal feed industry." according to Rich Casler. "His expertise will surely help Feed Ingredient Trading Corporation with the procurement functions and services, and will assist as the business continues to expand into more product lines and a broader area of geographic coverage."

Mark Your Calendar!!

The 2012 Annual Meeting and Forum

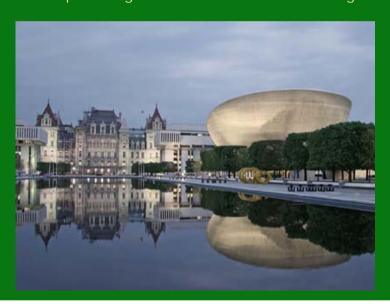
February 5-7, 2012 Albany Marriott Hotel

Animal Agriculture: The Future for the Northeast

Meetings with Legislative Leaders
Excellent Seminars
Great Speakers
Important Networking
Spouse's trip to Norman Rockwell Museum
Distinguished Service Award

Don't Miss This Event

Sponsorship and registration details will be coming soon!



SAFETY CORNER

The Value of Safety Training

While the blow of a workplace injury cripples many companies, safety training programs are proven to drastically reduce the risk of injury and increase workplace productivity. Through independent studies OSHA has confirmed that employers, who have in place a safety and health training program, experience a 52 percent lower rate of "injury with days away" than employers without a program.

A second study of private industry employers by OSHA found even more benefits to a safety training program, including:

- * Increased sales
- * Manufacturing defects and waste dropped by six fold over five years
- * Improved decision-making
- * Emergency room visits from the workplace dropped by 45%

The value of training is further emphasized by a study of 41 workers hospitalized for hand injuries. Through the survey of these employees conducted by members of National Institute for Occupational Safety and Health (NIOSH) it was discovered more than half had

no on the job training for the equipment that caused their injury.

Workplaces that establish safety and health management systems can reduce their injury and illness costs by 20 to 40 percent, according to OSHA.

Studies show the impact safety training has in increasing productivity and preventing injury and the value training has to prevent casualties. A NIOSH study of 55 confined workplace fatalities found that only three of those losing their lives ever received training on the proper workplace safety procedures. A study of the California insurance industry also revealed that every dollar invested in safety training resulted in \$3 or more dollars in savings.

The National Institute for Occupational Safety and Health has training guides for a wide range of grain production and processing topics at their web site:

http://www.cdc.gov/niosh/topics/agriculture/#grain

Unfortunately some of the material is dated (published in the 1980's) but for the most part, the information is still valid and provides useful reminders on machinery operation, chemical use and sound body mechanics to prevent work place injuries.

MEMBER NEWS ...

NPC To Be Included In Membership Directory

Alden Bowman, long time Feed Alliance member and leader, recently rejoined our organization through his new company, Nutrition Physiology Company, LLC. Unfortunately NPC was inadvertently left out of the 2011-12 Directory. Our apologies to Alden.

Nevertheless you may contact Alden Bowman, Regional Sales Manager for NPC at:

Nutrition Physiology Co., LLC 62 Oak Glen Drive Pequea, PA 17565

Phone: 717-715-4575 Fax 717-666-6263

E-Mail: abowman@bovamine.com Website: www.bovamine.com

Please add this information to your Membership Directory.

<u>Feed Dealer's Meetings</u> <u>To Be Hosted By CCE / PRO-DAIRY</u>

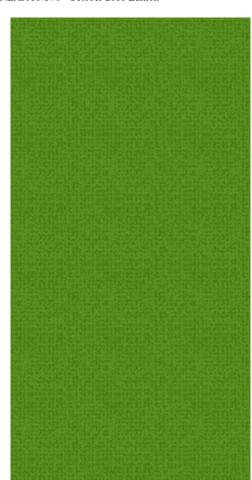
The Northwest New York Dairy Livestock Program, in conjunction with Cornell PRO-DAIRY, is once again presenting the annual Feed Dealer's Meetings for industry personnel and area producers. These annual events provide Cornell and CCE staff with an opportunity to meet with and interact with industry members. The interchange of ideas is a primary purpose for the gatherings.

Industry input is extremely valuable to help focus Cornell Extension efforts for the benefit of the dairy industry.

Meeting Times and Locations

Thursday, November 3 11:00 a.m. - 2:30 p.m. Hidden Valley Lodge, 2416 Royce Road, Varysburg, NY, 14167

Friday, November 4



11:00 a.m. - 2:30 p.m. Blue Ribbon Smoke House & Restaurant, 261 Main Street, Phelps, NY 14532

Topics:

- Feeding Challenges for 2012 Forage supply, forage quality, alternative feeds
- · Feeding the fresh cow
- Potential field-based markers for inflammation and stress in transition cows

Pre-Registration is Requested!

Lunch & proceedings included Cost: \$30.00 per person/location \$25.00 ea. Additional person(s) from same company/farm Contact:

2012 Alliance Membership Renewals

It is that time of year again ... Membership renewal time! Your membership has been a significant component in our ability to serve the animal agriculture industry throughout the Northeastern United States. Membership invoices are being mailed in the next few days. If you have any mebership questions, please contact Sue Kinner at sue@nysta.org (or by phone at 518-783-1322).

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

www.northeastalliance.com/newsletter.html

NEAFA News is a publication of the Northeast Ag & Feed Alliance.

Calendar of Events:

Northwest NY Dairy Livestock Program/PRO-DAIRY Feed Dealer's Meeting

November 3, 2011 Hidden Valley Lodge Varysburg, New York

Click here for more information

Northwest NY Dairy Livestock Program/PRO-DAIRY Feed Dealer's Meeting

November 4, 2011 Blue Ribbon Smoke House & Restaurant Phelps, New York

Click here for more information

AFIA's Equipment Mananufacturer's Conference

November 3-5, 2011 Fort Lauderdale, Florida

Click here for more information

AFIA / K-State Short Course

"Establishing a HACCP Program for the Feed Industry"

November 7 -10, 2011 Manhattan, Kansas

Click here for more information

Group-Housed Dairy Calf Systems Symposium

December 1, 2011
The Doubletree Hotel
East Syracuse, New York

Click here for more information

NEAFA Board of Directors Meeting

December 2, 2011 Video Conference

Cornell Dairy Executive Program

December 4-8, 2011
The Statler Hotel & Cornell University
Ithaca, New York

Group-Housed Dairy Calf Systems Facility Tours

December 7-9, 2011 Various Locations - New York

Click here for more information

NGFA 40th Annual Country Elevator Conference & Tradeshow

December 11-13, 2011 Marriott Downtown Chicago Magnificent Mile Chicago, Illinois

2012 NEAFA Annual Meeting

February 5-7, 2012 Albany Marriott on Wolf Road Albany, New York

NGFA Annual Convention

March 18-20, 2012
Charleston Place Hotel
Charleston, South Carolina

Click here for more information

2012 NEAFA/PRO-DAIRY Herd Health & Nutrition Conference

April 3, 2012 Syracuse, New York

2012 NEAFA/PRO-DAIRY Herd Health & Nutrition Conference

April 5, 2012 West Lebanon, New Hampshire

NGFA/Grain Journal - Safety, Health & Environmental Quality Grain Grades & Weights Conference

July 26-27, 2012 Westin Crown Center Kansas City, Missouri

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