

# **NEAFA News**

September 2011

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# Alliance Supports Disaster Relief Efforts

The Northeast Ag and Feed Alliance Board of Directors agreed at their September 21st meeting to make contributions to two important programs providing assistance to farmers impacted by Hurricane Irene and Tropical Storm Lee. The Vermont Farm Disaster Relief Fund and the New York FarmNet

each received \$2500 to support their ongoing efforts in the wake of the natural disasters. Funds were made available through the Alliance's Good Works Program, which has been sustained by proceeds from our annual Golf for Good Works Tournament.

The Vermont Disaster Relief Fund will provide grants to help replace infrastructure, seed, feed, livestock, supplies, and equipment lost as a result of Tropical Storm Irene. Farmer applications may be made through the Vermont Community Foundation. New York FarmNet provides professional assistance to farmers and their families in the areas of financial/business assistance and psychological/



emotional counseling. FarmNet's resources have been significantly tapped since the advent of Irene and Lee. NY FarmNet's 24 hour toll free line is 800-547-FARM.

## National Dairy Policy Reform Becomes More Focused

Over the past year the NE Ag and Feed Alliance has highlighted several of the proposed dairy policy reform plans being developed by farmers, processors and trade organizations. The key components of most of the plans address price stabilization, margin protection, reform to the Federal Milk Marketing Order and risk management plans. Support for the proposed plans varies across regions of the country, sizes of farms, markets for milk, and between processors and farmers. No single plan includes all of these provisions, and differences in caps, targets and timelines creates divergent levels of acceptance across the broad spectrum of agricultural interests.

To increase the understanding of the many varied plans, a snapshot of the components is provided below. Beneath each snapshot is a bullet list of the specific issues being discussed by varied groups across the nation.

 Dairy Producer Margin Protection Program: an insurance program to protect against periods of low milk prices, high feed costs, or a combination of the two. One version of this program offers a basic level of subsidized insurance coverage, plus the option of supplemental fixed-cost coverage partially paid by farmers.

#### Issues:

- Concern about cumbersome government bureaucracy
- Concern that in the future payment limits may be based on production
- Concern about public perception and lack of understanding that farmers pay for part of the cost of coverage
- Dairy Market Stabilization Program: a mechanism to reduce market price volatility by
  discouraging new milk production during periods of compressed margins between milk process
  and feed prices. Farmers receive a reduced pay price for milk production in excess of a
  predetermined historical amount.

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#### Issues:

- Concern about flexibility of the program to respond to international swings in price
- Concern of limiting farmers ability to expand milk production as they see fit
- Concern that the margins used to trigger the stabilization program are not correct to influence farmers' behavior (too low or too high)
- Concern that the percentage reduction in pay price is not correct to limit farmers behavior (too low or too high)
- Increase funding limits on existing risk management tools such as the Livestock Gross Margin-Dairy (LGM-Dairy) program and extending the Livestock Risk Protection (LRP) program to dairy producers.

#### Issues:

- The current federal products for dairy farm risk management and revenue insurance are underutilized by dairy producers
- Programs can be constrained by federal budgetary limits
- Risk management education programs for the dairy industry have not been embraced by the farming community
- Farmer Savings Accounts: managed much like health savings accounts these would allow farmers to save money in high income years while offering control measures for income tax liabilities.
- Federal Milk Market Order Reforms: simplification of the number of milk classes used to determine farmer pay prices (currently there are four classes), utilization of current competitive prices for the determination of farmer pay prices, maintenance of the Class I price differentials based on the geography of milk production

#### Issue:

 Complexity of the current system makes it difficult to accurately model the impact of proposed changes

# Gillibrand's New York Farm Day Highlights Farm Labor Legislation

On Tuesday, September 20 Senator Kirsten Gillibrand (D, NY) hosted the annual "New York Farm Day"

consisting of a meeting of the Agriculture Working Group and the Taste of New York reception in the elegant Senate Kennedy Caucus Room at the crest of Capitol Hill. Reception attendees included dozens of other Senators, the New York Congressional delegation from the House of Representatives, members of the Committees on Agriculture, legislative chiefs of staff, agricultural specialists in Congress and the Administration, members of the Washington media, top area restaurants and fine wine shops. Rick Zimmerman, Executive Director of the Alliance and member of Senator Gillibrand's Agriculture Working Group, attended the event and took the opportunity to network extensively on the issue of agricultural guest worker programs, a cause championed by Senator Gillibrand.

Current actions being proposed in Congress have the potential to severely undermine the ability of US farmers to plant and harvest their crops in a timely and affordable manner. The Legal Workforce Act, H.R. 2164 (E-Verify) drafted by House Judiciary Committee Chairman Lamar Smith, R-Texas, would require employers to electronically verify the eligibility of prospective employees before hiring. Under E-Verify, the Social Security

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Senator Gillibrand welcomes representatives from Cornell University's College of Agriculture and Life Sciences as they serve samples of New York produced ice cream.

numbers of new hires are checked against Social Security Administration and Department of Homeland Security records in order to identify fraudulent numbers, prevent their use and help ensure that new hires are eligible to work.

Member organizations of the Agricultural Coalition for Immigration Reform (ACIR), including the Alliance, have voiced their concern that E-Verify could have detrimental consequences for U.S. food security. Leaders of the organization said mandatory implementation of E-Verify, without a program to help agriculture find a legal and stable labor supply, threatens the profitability of thousands of farms as well as off-farm jobs throughout the food chain.

Rep. Dan Lungren (R-CA) has introduced H.R.2895, the Legal Agricultural Workforce Act (LAWA) as a mechanism to provide agricultural employers with appropriate, but not overly cumbersome documentation of agricultural employees, based on a biometric identification card. Lungren's proposal would create a more flexible and market-based agricultural worker program. While in Washington Zimmerman discussed the provisions of LAWA with members and staff of the New York Congressional delegation.

Zimmerman noted that the LAWA focuses exclusively on the need for non-immigrant agricultural labor and provides a reasonable approach to assure coordination between the Secretary of Agriculture and the Secretary of Homeland Security. "The LAWA proposal addressed the need for agricultural labor with a streamlined visa process," Zimmerman said. "As proposed, it only allows the admittance of workers for employers accepted for enrollment in the program." The LAWA is based on a new "w" non-immigrant visa category for non-immigrant agricultural workers and allows admission for 10 months in any 12 month period per visa issuance.

# <u>Deficit Reduction Efforts</u> <u>Likely To Impact Farm Bill Programs</u>

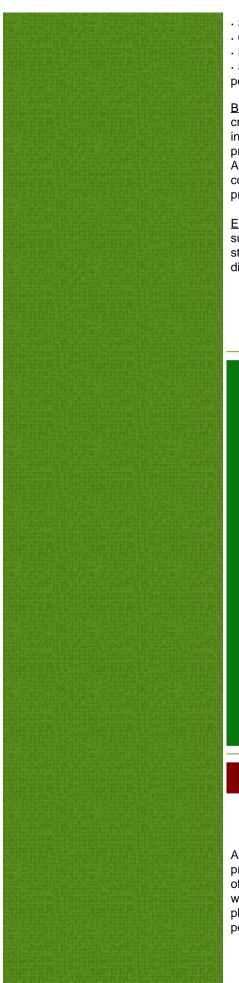
Since 1935 federal agricultural legislation has been packaged into a Farm Bill about every five years. The 2007 Farm Bill expires in September 2012 and the work of the deficit reduction "super committee" is superseding most legislative action to be considered through the Farm Bill process.

President Barack Obama formally unveiled his \$3 trillion in deficit reduction recommendations to the bipartisan "super committee" on September 19th, which includes \$1.5 trillion in tax hikes and \$250 billion in savings from "other" mandatory programs. Over 13% of those cuts, totaling \$33 billion, would come from agriculture subsidies, payments, and programs.

Here's what the President proposes for agriculture:

<u>Eliminate commodity crop direct payments</u>. The direct payment program provides farmers with fixed annual payments for having historically planted crops that were supported by government programs. This change would reduce USDA spending by roughly \$3 billion per year.

Modernize crop insurance program to reduce cost and improve efficiency. Crop insurance is a foundation of our farm safety net. Our Nation's farmers and agricultural bankers understand the value of this effective risk management program, and currently 83 percent of eligible program crop acres are enrolled in the program. However, the program continues to be highly subsidized and costs the taxpayers approximately \$8 billion a year to run. The Administration proposes to improve the crop insurance program as follows:



- · Streamline the administrative costs of the program.
- · Cap administrative expenses at \$0.9 billion adjusted annually for inflation.
- · Price the premium for catastrophic coverage policies more accurately.
- · Shave two basis points off any coverage premium subsidy levels that are currently offered above 50 percent.

Better target agricultural conservation assistance. Farmers, ranchers, and forest landowners share a critical role in conserving the Nation's soil, water, and related natural resources. But dramatic increase in funding (roughly 500 percent since enactment of the 2002 Farm Bill) has led to difficulties in program administration and redundancies among our agricultural conservation programs. The Administration proposes to reduce conservation funding by \$2 billion over 10 years by better targeting conservation funding to the most cost effective and environmentally beneficial programs and practices.

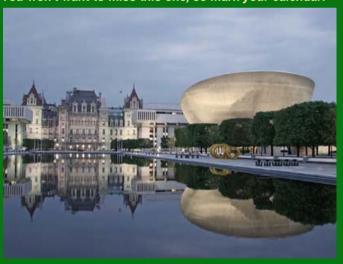
Extend mandatory disaster assistance to strengthen safety net for farmers. The Administration strongly supports disaster assistance programs that protect farmers in their time of greatest need. To strengthen this support, the Administration proposes to extend these programs, or similar types of disaster assistance that are of a similar cost, for the 2012 to 2016 crops.

Compiled from President Obama calls for \$33 billion in cuts from farm safety net, By Sara Wyant, Agri-pulse communications, . and remarks by Steve Kopperud, Policy Directions, Inc at the Vermont Feed Dealers Conference, Burlington, VT, September 22, 2011.

#### Mark Your Calendar!!

The 2012 Annual Meeting will be returning to Albany, New York February 5-7, 2012

We will once again be meeting at the Albany Marriott on Wolf Road. Sponsorship and registration details will be coming soon! You won't want to miss this one, so mark your calendar!

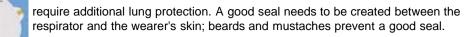


# SAFETY CORNER

Consider Lung Protection
While Working Flood Damaged Fields

As farmers start to chop fields flooded during Irene and Lee they should take extra precautions to protect their lungs from silty dust left behind. Any field work will likely kick up unusually high amounts of dust. The dust has the potential to carry septic waste and animal waste as well as chemical or fuel waste into farmer's lungs. Besides the possible contaminants, the particulate matter of dust can cause physical irritation of the lungs and trigger asthmatic or other sensitivity reactions, even leading to persistent flu like symptoms.

Farmers are encouraged to protect themselves by wearing a dust mask, N-95 or higher. Most cabs on tractors do not have an adequate air filtration system and will



The VT Department of Health has made free respirators available to all district health offices. For farmers in other states the respirators are inexpensive and are available through industrial supply catalogues for about \$1.50 each.

It is recommended that the respirator be changed every 4 to 6 hours, sooner if it becomes difficult to breathe through. If, after changing to a new respirator, farmers continue to experience breathing difficulties, they should stop chopping, get to a dust-free environment and seek medical assistance, letting them know they have been working in a post-flooding area.

#### Welcome New Members ...

#### A Warm Welcome Goes Out To Five New Members!

Michael	Oleksak	CoBank	(860) 814-4047	moleksak@cobank.com
William	Taylor	Eagle Supply Company, LLC dba Eagle Dairy Direct	(315) 433-0100	william.taylor@eagledairydirect.com
Alden	Bowman	Nutrition Physiology Co., LLC	(717) 715-4575	abowman@bovamine.com
Timothy	Gold	Pfizer Animal Health (ALPHARMA)	(201) 741-9864	timothy.gold@pfizer.com
Kevin	Weppler	Shur-Gain	(519) 349-3104	

Keep an eye on your mailbox! The 2011-2012 Membership Directory is currently at print and will be mailed soon!

# New York State Agriculture Department Sponsors Dairy Crop Insurance Sessions

The New York State Department of Agriculture and Markets (NYSDAM), Pro Dairy and county cooperative extension offices have teamed up around the state to provide multiple opportunities for farmers to learn about the federal Livestock Gross Margin for Dairy or LGM-Dairy crop insurance program. It is expected that farmers will have the opportunity to sign up for the program once again in late October.

LGM-Dairy Crop Insurance program is based on milk income over feed costs, which the program calls a "gross margin". The insurance program covers the difference between the expected gross margin (insurance guarantee) and the actual gross margin for the months the producer selects for coverage, based on the amount of milk the producer chooses to insure.

Dr. Brian Gould, a professor at the University of Wisconsin and a national expert on the program, will be giving each of the identical live on-line webinar presentations. Webinar dates are Monday, October 3, Wednesday, October 5; Friday, October 7; Wednesday, October 12 and Friday, October 14. Meetings start promptly at 11 am. Choose the date best for you.

LGM-Dairy was suspended in April 2011 due to lack of funding. Sales are expected to resume with the beginning of the 2012 federal fiscal year in October. Experts predict that all funding for underwriting costs will be exhausted in the first enrollment opportunity, which starts on Friday, October 28 at 5PM and ends on Saturday, October 29 at 9PM.

There are three ways to participate:

Producers can go to their county Cornell Cooperative Extension office for a scheduled viewing session with CCE staff. See the listing and contact information below.

To participate from a home computer, pre-register for the webinars by going to the NYSDAM website at: <a href="http://www.agmkt.state.ny.us/AP/CropInsuranceEvents.html">http://www.agmkt.state.ny.us/AP/CropInsuranceEvents.html</a>. Scroll down to the date you wish to participate and click on the registration link. You will receive an e-mail confirming your registration,

with instructions to join the session. If you have trouble registering, please call NYSDAM at 800-554-4501.

After October 3, producers can also listen to a recording of the live webinar by going to the Department's website and clicking on the presentation.

See: http://www.agmkt.state.ny.us/AP/CropInsuranceEvents.html

All educational webinar sessions begin at 11 am.

#### October 3rd

· Internet only

#### October 5th

Cortland Co CCE Cortland, Sharon VanDeuson 607-753-5078

#### October 7th

- Tioga Co. CCE Owego, Sharon VanDeuson 607-753-5078
- Tompkins Co. CCE Ithaca, Sharon VanDeuson 607-753-5078

#### October 12th

- Madison Co. CCE Office, Morrisville, Karen Baase 315-684-3001
- Steuben CCE Office, Bath, Jim Grace 607-664-2316
- Oswego CCE, Mexico, JJ Schell 315-963-7286
- Orange Co. CCE Office, Middleton, Jenifer Simpson 845-344-1234
- Cayuga Co. CCE, Auburn, Dan Welch 315-255-1183
- Washington Co. CCE Hudson Falls, Sandy Buxton 518-746-2560
- Columbia Co. CCE Hudson, Steve Hadcock 518-828-3346

#### October 14th

- Chautauqua Co CCE. Jamestown, Ginny Carlberg 716-664-9502
- Oneida Co. CCE Oriskany, Marylynn Collins 315-736-3394
- Allegany Co. CCE Belmont, Tom Parmenter 585-268-7644
- St Lawrence Co CCE Canton, Stephen Canner 315-379-9192

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:

Cornell Nutrition Conference for Feed Manufacturers

October 18-20, 2011
Doubletree Hotel Syracuse
East Syracuse, 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

#### 2012 NEAFA Annual Meeting

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

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