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NORTHEAST DAIRY LEADERSHIP TEAM COMMITS TO POLICY, PRICING STRATEGIES

PA, NY and VT Officials Prioritize Animal Care Standards, Education and Risk Management

HARRISBURG – Members of the Northeast Dairy Leadership Team recently identified key areas affecting dairy policy and pricing and plan to advocate for meaningful changes to benefit Northeast dairy farm families.

The leadership team is comprised of state agriculture leaders – including Pennsylvania Agriculture Secretary Russell Redding, Vermont Agriculture Secretary Roger Allbee and New York Agriculture Commissioner Patrick Hooker – and regional industry representatives from the farm, sales and service, and processing segments. The group serves as a driving force for a vibrant, growing dairy industry in the Northeast through dynamic regional stakeholder collaboration.

The group recommitted to its 2009 "points of agreement" regarding dairy policy and pricing. The points of agreement can be found at the center's Web site at www.centerfordairyexcellence.org by clicking on the "NELDT" logo.

The team advocated for any new dairy pricing system or market structure and added the following statements:

- Be market oriented to allow for growth both domestically and internationally;
- Be responsive to quickly changing market conditions;
- Have 100 percent financial participation by producers;
- Be global in nature to consider the impact of imports and exports;
- Be national in scope with the ability to implement regionally; and
- Represent minimal government involvement.



The leadership team also voted unanimously to support immediate implementation of the 2007 farm bill's dairy-related items, including a dairy product reporting system, better price discovery, more opportunities for dairy in trade agreements, and an analysis of dairy's role in the World Trade Organization's agreements.

The group also discussed current dairy issues within each of the three states. Allbee reported that Vermont recently created an Animal Care Standards Board similar to the board established in Ohio last year. Hooker spoke of New York's urgent need to provide information on animal care practices to consumers and the need to reexamine if standard animal care practices are acceptable in the marketplace long term.

Pennsylvania Agriculture Deputy Secretary Michael Pechart discussed how Pennsylvania is working closely with its congressional delegation on legislation for improved price discovery and dairy policy, as well as tools for dairy risk management.

At the team's February meeting, Bob Gray, who represents many of the Northeast's dairy farmer-owned cooperatives in Washington, D.C., provided an update on Capitol Hill discussions about dairy policy.

"Congress is looking and waiting for those of us in the dairy industry to deliver specific recommendations on what needs to happen, and the general consensus is that it cannot wait until the next farm bill," he said.

Tom Suber, the CEO of the U.S. Dairy Export Council, provided an overview of future projections for the dairy export market and cited a recent report that showed several options for future dairy exports. Suber believes the most viable option is for the United States to become a consistent exporter of dairy products to allow further access to valuable markets.

Ed Gallagher, chief dairy economist with Dairylea Cooperative provided an update on the dairy farm situation.



"Ethanol's impact on farm prices was a leading contributor to record losses in 2009. However, the farm financial crisis is hitting now instead of last year," Gallagher said. "The wild card this year will be milk production with CWT helping to take product off the market."

Bob Wellington, an economist from Agri Mark shared details on a new program being discussed in the Northeast called "marginal milk pricing." The program would pay the lowest amount for any excess milk production, aligning supply with demand and penalizing oversupply. The goal would be to maintain an adequate price for producers in the Northeast.

For more information about the Northeast Dairy Leadership Team and its February meeting, visit www.centerfordairyexcellence.org and click on the "NEDLT" logo at the bottom of the homepage. In New York, contact Mark Kenville at 315-453-3823, in Vermont, contact Coleen Leonard at 802-828-3835, and in Pennsylvania, contact John Frey at 717-346-0849.

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The Center for Dairy Excellence is an initiative of the Department of Agriculture and was launched in January 2004 by Governor Edward G. Rendell. Bringing together people from more than 40 different dairy organizations in Pennsylvania, the Center's mission is to enhance the profitability of the dairy industry by empowering people, creating partnerships, and increasing the availability and use of resources. Learn more about the Center at www.centerfordairyexcellence.org.