

### Northeast Dairy Leadership Team:

Secretaries of Agriculture from Pennsylvania and Vermont and the Commissioner of Agriculture from New York along with 45 appointed representatives from these 3 largest milk producing states from the Northeast.

In the Fall of 2009, the NEDLT came together to develop points of agreement around federal dairy policy to serve as a platform for discussions at all levels in the midst of the most significant period of price collapse and margin erosion in recent history. It is the intent of the NEDLT to communicate these points of agreement at state, regional, and federal levels. The points of agreement are as follows:

- Improve the timeliness of the NASS product price survey; include mandatory daily reporting with auditing component.
- Consider potential changes to FMMO; this would include, but not be limited to studying the benefits to a 2-class system of product pricing vs. the current 4-class system.
- Develop alternatives to CME for price discovery; the thinly traded CME is an inadequate system of price discovery. Evaluate the benefits of including additional value indicators to provide a more accurate and timely reflection
- Support the use of multi year contracts to reduce price volatility at all levels in the marketplace.
- Support an expanded CWT program
- Develop or refine producer income insurance programs and improved risk management tools.
- The current price support program results in the manufacturing of dairy products below the highest and best use and should be re-evaluated ; however, it is our recommendation this program and the MILC program not be removed until replacement vehicles to ensure an adequate safety net exists is in place

On February 2, 2010, the NEDLT met again and voted unanimously to add the following points to the original document:

- Be market oriented to allow for growth both domestically & 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
- Minimal government involvement
- In addition, there was a unanimous vote of support for “implementation of 2007 Farm Bill items” not yet acted upon and these other action items.
  - Dairy product reporting system.
  - New methods of price discovery
  - Trade Agreements – explore all trade agreements impacting the importation of dairy products; have complete understanding of these agreements and their impact on dairy trade.

It is the intent of the Northeast Dairy Leadership Team that these points are considered in all discussions affecting the Northeast dairy industry and that changes made to federal dairy policy reflect the points detailed in this document.