

# NEDLT Newsletter

## From the Desk of Bob Gray

- USDA Briefing to Senate Agriculture Legislative Assistants on MILC Program Rules: Senator Casey's office requested a briefing on the status of the proposed rules for the MILC program. Milt Madison and Dani Cooke came up to the Hill this morning from FSA to brief Senate staff. It does not look like the MILC rules will be out until October at the earliest. They may issue an Interim Final Rule and then call for public comments. Not clear on that. One question that came up is whether or not the Department will use preliminary numbers on feed costs from NASS (corn, soybeans and alfalfa hay) or final numbers in calculating the feed adjustor index. There is a lag time of 30 days in the preliminary numbers and the final numbers which if they used the latter would delay MILC payments. There is still a question on whether or not there will be a MILC payment for October or November. The Department thinks not. No MILC payments this year. That is based on their estimates of feed prices and Class I milk prices. We shall see as I believe we are close to a threshold of possible MILC payments. It depends on the crop estimates for corn and soybeans that are coming out tomorrow. Rumor has it that these estimates will be lower than earlier ones due to the cool weather of the last few weeks and the slow maturity of corn and soybeans that were planted late or replanted. A yield reduction estimate will drive up both corn and soybean prices and if milk prices weaken further that could result in a MILC payment. No matter how long it takes for USDA to finalize the rules the MILC payments are retroactive but we want producers to receive them sooner than later. Also keep in mind the utilization percentage goes from 34% to 45% October 1st and the cap on annual production goes from 2.4 million pounds to 2.985 million pounds.

- Congressman Carney and the Milk Hauling Weight Limitation Issue

As you probably know, Congressman Chris Carney of Pennsylvania's 10th Congressional District has indicated an interest in helping resolve this milk weight limitation issue for bulk milk trucks which is a problem in Pennsylvania and in New England, Connecticut in particular. This was discussed during the last NEDLT meeting in July as a legislative priority. I bring this up because two Pennsylvania dairy farmers are having an event for Chris Carney at Lew Hawley's dairy farm in Montrose next Saturday, September 27th. This would be a good time to talk with Mr. Carney about this issue. This is going to be a tough matter to resolve and we can't expect the Congressman to do it by himself – but we would like him to be one of the leaders. I wasn't going to go to this event but I think that I will.

*Editor's note: Because of the financial crisis, Congressman Carney was unable to make the event in Montrose and stayed in Washington to resolve this issue.*

- Congressional Meetings with New York State Delegation on Tuesday, September 23rd: We are going to make some rounds with about seven or eight members of the New York State Congressional delegation next Tuesday to brief them on the status of (a.) No-Match letters from

DHS; (b.) the E-Verify System, (c.) the status of the Feinstein Emergency Agriculture Relief Act (EARA) and Congressman John McHugh's new bill on H-2A plus the Cornell Report on immigration management issues. Jerry Cosgrove and Bill Ketzer from the New York Department of Agriculture & Markets will be joining us as well as other folks from the Empire State. We probably need to do this for key members of the Pennsylvania delegation as well.

- Dairy COOL Legislation: Senator Clinton plans to introduce a Dairy COOL Bill before the current session of Congress is over. Industry folks have pointed out concerns they have with other potential ingredients that may be added in products such as yogurt (flavoring, fruit, etc.) that may come from foreign sources. Her staff person says the bill only applies to the dairy ingredients in any product. They are open to changes in the bill and will re-introduce it next year.

- Final Rule on Animal Identification Numbers: Last Thursday USDA issued the Interim Final Rule on Animal Identification Numbers. The rule reserves the use of the NAIS with the 840 prefix only for animals born in the U.S. The number 840 is the NAIS country code for the United States. The Animal and Plant Health Inspection Service (APHIS) has emphasized that livestock and poultry producers who use this preamble number will have a cost-effective way to document the origin for the COOL labeling program. Comments can be made on the Interim Rule until November 17, 2008.