

NEDLT Newsletter

From the Desk of Bob Gray

• **Assessing the Effects of the Elections on the Northeast**

Now that the 2008 elections are finally behind us – it seems as if they have been going on for about five years – we can now take a look at the results and the potential impact on our region. In the House there will be several new faces. Let's do a quick run-down on the various Northeastern States.

New York – Lots of changes in the Empire State. First of all, Republican Congressman Randy Kuhl of New York's 29th Congressional District (Western New York) and a member of the House Agriculture Committee lost by about 4,500 votes to Democrat Eric Massa. Mr. Massa had previously run against Randy Kuhl. And unless somebody else in the region replaces him on the Agriculture Committee, our membership will be reduced by one, leaving us with just two House Agriculture Committee members.

The race for the open seat of Tom Reynolds (26th Congressional District) who retired was won by Republican Chris Lee by a fairly substantial vote of 55% to 40% with a third candidate receiving 4%. Also, there was a competitive race for the open seat of Republican Jim Walsh who also retired between Democrat Dan Maffei and Republican Dale Sweetland. Mr. Maffei, who had run against Congressman Walsh in 2006, was the winner. And lastly Democrat Paul Tonko was the winner in capturing the seat of retiring Congressman Mike McNulty in New York's 21st District (Albany region).

There were three Democratic freshman Members of Congress who were defending their seats for the first time. Congresswoman Kirsten Gillibrand, a member of the House Agriculture Committee from New York's 20th Congressional District (Eastern New York) cruised to an easy victory. In addition, Democratic Congressman Mike Arcuri of New York's 24th District (Mohawk Valley region) also won as did Democrat John Hall of New York's 19th Congressional District (Hudson Valley). All of the other incumbents, including John McHugh (23rd), Maurice Hinchey (22nd), Brian Higgins (27th) and Louise Slaughter (28th) were easy winners.

Pennsylvania – The Commonwealth underwent some changes on the House side on Tuesday. Congressman John Peterson, a Republican for Pennsylvania's 5th District (North Central region) retired and he was replaced by Republican Glenn Thompson. A Republican incumbent, Phil English from Pennsylvania's 3rd Congressional District (Northwestern region) was defeated by Democrat Kathy Dahl Kemper.

Freshman Democrat Chris Carney from the 20th Congressional District (Northeastern region) easily won re-election. And Democrat Tim Holden, the Vice Chairman of the House Agriculture Committee, also won re-election by a wide margin. Two Democratic incumbents that I mentioned in last week's newsletter, John Murtha and Paul Kanjorski, were both re-elected.

New England – Prior to the 4th of November there was just one Republican in the 22 House members from the six New England states. That was Chris Shays of Connecticut's 4th Congressional District. Mr. Shays was defeated by Democrat Jim Himes. Now the entire New

England House delegation is Democratic. The biggest news from New England was the defeat of Republican Senator John Sununu of New Hampshire. He was defeated by the former Governor, Democrat Jeanne Shaheen. Republican Senator Susan Collins of Maine easily won her re-election bid.

New Jersey, Maryland and Delaware – In New Jersey Democrat John Adler was victorious in the Garden State's 3rd Congressional District and Republican Leonard Lane in the 7th District. Incumbent Democratic Senator Frank Lautenberg won re-election.

In Maryland, the Eastern Shore race for retiring House member Congressman Wayne Gilchrest is too close to call between Democrat Frank Kratovil, Jr. and Republican Andy Harris.

And the only question in Delaware is who will succeed Vice President-Elect Joe Biden in the Senate seat.

• **Dept. of Homeland Security Poised to Issue No Match Social Security Letter Rule**

We always knew this day was coming and we dreaded it - but we also knew that at some point it was likely to be inevitable. Now all that stands between the Department of Homeland Security's "revised" No Match Social Security rules being issued in final form is a Federal judge.

Yesterday DHS issued the "Supplemental Final Rule" on "Safe Harbor Procedures for Employers Who Receive a No Match Letter: Clarification Final Regulatory Flexibility Analysis (FRFA)." This final rule has been held up for over a year as U.S. District Judge Charles R. Breyer of San Francisco had put a hold on the rules saying that in his opinion they could have a "staggering and severe" effect on businesses and workers. The DHS rules had been challenged in a lawsuit filed by the AFL-CIO and other unions, the U.S. Chamber of Commerce and the American Civil Liberties Union, among others.

When DHS released the so-called revised rules yesterday, we had a chance to briefly review the 100 page document.

Our initial conclusion is that the revised rules do not seem to differ much at all from the proposed rules published earlier this year. Surprise, surprise!

In summary, here are just some of the problems these revised rules would pose:

- ◆ It has been estimated that the cost of these regulations to employers (i.e., business) will run from \$1 billion to \$1.6 billion per year.
- ◆ This rule could affect about one million employers including, of course, dairy producers.
- ◆ If an employer has an employee who receives a No Match Social Security letter, the burden of proof shifts totally to the employer and, therefore, if they are prosecuted by the Federal government, they would be presumed guilty until they can prove otherwise.
- ◆ If an employer and employee receives an "official" No Match Social Security letter from DHS, they have 90 days to resolve it.
- ◆ At the end of the 90 day period the employer would have to fire the employee if the matter was not resolved or face tough fines and sanctions from the Federal government.

The Federal judge is reviewing the revised rules. He has set Friday, October 31 as the date for rendering a decision as to whether or not the rules can go into effect or remain on hold.

• **An Excellent Idea from the Campbell Soup Company**

The Future Farmers of America is one of the best organizations in the country in developing leadership skills among high school students who are interested in a career in agriculture. When I started my career after two years of military duty I taught vocational agriculture for a number

of years. It was a very rewarding experience and therefore I have a soft spot in my heart for the FFA.

Campbell Soup Company wants to help support the Future Farmers of America Foundation. They will donate \$1 (up to \$250,000 total) to the FFA foundation for every click on its website, www.helpgrowyoursoup.com. The money will be utilized for the Foundation's scholarship and education programs. So go to the red barn on the website and click once.

- **Economists Predict Downturn in Farm Milk Prices**

There are many signs on the wall that point to a downturn in farm milk prices in the months ahead. Although cheese prices have remained strong, powder prices have fallen and last week 8.3 million pounds of non-fat dry milk were sold to the Commodity Credit Corporation for the first time in two years. We have seen the value of the U.S. dollar increase over the last several weeks which make U.S. export products less competitive overseas. And both New Zealand and Australia are coming out of the long drought they have experienced over the last two to three years. Given the volatility of the market for dairy products right now it is difficult to predict the severity and length of lower farm milk prices.

- **Antibiotics in Animal Feed**

This is an issue that has been brewing for some time and we will likely see some legislative action on this next year. The American Medical Association and the American Public Health Association, along with a number of related organizations, are concerned with the routine feeding of antibiotics to farm animals. Their argument is that by placing antibiotics in feed to animals that are not sick promotes development of antibiotic-resistant organisms such as bacteria that can be transferred to humans. That is the crux of the argument for giving the Food and Drug Administration (FDA) greater authority to withdraw agricultural antibiotics from the market under existing law. Currently these procedures are very cumbersome. Antibiotics such as penicillin, tetracycline and streptomycin, among others, are some that could be withdrawn from routine use in animal feed if FDA's powers are expanded.

Legislation has already been introduced in both the House and Senate to do this and it is expected to be re-introduced in the new 111th Congress.

Recently the House Agriculture Committee held hearings on this issue. Several witnesses testified, including NMPF and several other poultry and livestock organizations. Dr. John Clifford of USDA's Animal and Plant Health Inspection Service (APHIS) testified as well. He focused much of his testimony on the concept of preventing animal diseases. Dr. Clifford pointed out USDA's work with international partners in preventing animal diseases and in the vast amount of surveillance work APHIS does on diseases such as Foot and Mouth. He also talked about the many successful efforts such as the Brucellosis Eradication Program that was started on a national scale in 1934.

All of the witnesses who spoke in support of continued usage of antibiotics in animal feed stated that by simply removing them may help reduce some of the antibiotic resistance circulating today – but it also might have severe unintended consequences. Amen! We have not heard the last of this.

- **The CLEAN East Program**

This program operates in 27 eastern states from Florida to Maine and all the way west to Minnesota. The purpose of the program is to provide confidential, no cost technical support to owners and operators of dairy, beef, swine and poultry operations to help them identify and

implement farm management practices such as Nutrient Management plans and do environmental assessments.

The CLEAN East Program was developed and is administered jointly by RTI International and North Carolina State University. Funds to support the program come from the Environmental Protection Agency.

Farm owners can apply to receive the on-site support services from a qualified technical assistance professional associated with the program.

Benefits include identification of various conservation issues on the farm and how to remedy them. This includes suggestions to implement practices to improve manure management efficiency and help reduce run-off among other items. All of this evaluation comes at no cost to the owner of the farm operation and it is done on a confidential basis. I would not be writing about it in this newsletter if I felt otherwise. You can find out more about this program by visiting the CLEAN East Program website at www.livestock.rti.org or by e-mailing Marion Deerhake at RTI International, med@rti.org or calling 919 316 3410.

- **Developing New Uses for Milk**

On September 23, I attended Senator Clinton's New York Farm Day, an annual event which showcases food and beverages from New York State to other Members of Congress and staff. It is always held in the ornate Russell Senate Caucus Room. This year as always it was packed with folks from all over the Hill plus a lot of aggies from New York State who come down to participate. Vermont and Pennsylvania have similar events which is an excellent way to show how diverse the states in our region are in food and beverage production. It is difficult to lose weight if you are attending these events very often!

One of the items on display was an invention developed by David Barbano and Noriko Misawa from the Cornell Center for Technology Enterprise and Commercialization (CCTEC). The invention provides a protein-calcium ingredient that can be added to fortify beverages without any change in the flavor or appearance of the beverage. This ingredient is a blandly-flavored milk serum protein concentrate that does not produce a cloudy appearance when mixed with a wide variety of beverages including sports drinks, cola, soft drinks and fruit juices. The resulting fortified beverage is heat stable and can have a protein concentration of 3-4% by weight. Lactose content can be minimized to 0.1%. The protein-calcium fortified beverage can be given a milk-like appearance without the precipitation of proteins by adding melted or liquid fat.

It can be used to fortify beverages without altering the flavor or appearance in order to offer better nutrition to consumers. And it provides a great deal of additional calcium that is essential for normal growth and development for young people.

Developing these new products is essential for the dairy industry. As a side note, this beverage by itself tastes terrific!