

August Class III Price Down 81 Cents

The August Class III price is \$14.04, down 81 cents from July, but still up 24 cents from a year ago. The August Class IV is \$12.46, down 85 cents. Both prices are the lowest price since February.

Dietary Guidelines Boost Milk's Recommended Consumption Levels

The role of milk and dairy products in the U.S. diet will get a big boost, thanks to revisions made by the government's Dietary Guidelines Advisory committee that say Americans should have three daily servings of milk and milk products.

The dietary committee's final analysis concluded that "three servings (equivalent to three cups) of milk and milk products each day can reduce the risk of low bone mass and contribute important amounts of many nutrients." Higher dairy consumption, it said, "may have additional benefits and is not associated with increased body weight."

The current guidelines recommend a minimum of two dairy servings per day for adults. Along with an increase in dairy consumption the report also urges people to eat more fruit, vegetables and whole grains.

Currently, Americans eat or drink about 1.5 servings of dairy products per day, according to the USDA, as per-capita fluid milk sales have fallen nearly 3 percent over the past five years.

USDA's BSE Testing Plan Revised To Reduce False Positives

In an effort to avoid public alarm and disruption of cattle markets, the U.S. Department of Agriculture says it will retest any cattle samples that test positive for mad-cow disease with the rapid test prior to announcing any "inconclusive" results.

This summer, two inconclusive results were produced by the rapid test that were later ruled as negative upon more thorough review. Both resulted in major drops in beef and cattle prices prior to being confirmed as negative. The USDA expanded its mad-cow testing program with the goal of testing 268,000 head of cattle in 2005.

Meanwhile, the mad cow-related ban on cattle imports from Canada could continue through this year. Secretary Veneman said in August that the matter faced interagency clearance. She also noted that time might have to be set aside for congressional review before Canadian cattle would be allowed to enter the United States.

Japan Rethinks BSE Testing Regimen

A government panel of Japanese scientists said that Japan's comprehensive BSE testing regime, which takes tissues samples from every animal slaughtered, should be altered so that the youngest animals need not be tested. Measures are already in place to remove parts of the cows most at risk for infection. Excluding young or newborn cattle from testing would not threaten consumers, said government official Hiroshi Aoki.

Aoki said the 12-member panel's report did not set the upper age limit of young cows subject to the testing exclusion. Japanese media said cows younger than 20 months would be excluded from the tests.

To date, 11 cases of mad cow disease has been discovered in Japan, including a 21 and 23-month-old cow.

About 80 percent of U.S. beef cattle are slaughtered before they reach 20 months of age, Kyodo reported. Therefore, most U.S. beef could be exported to Japan if cows younger than 20 months are excluded from the test.

Upcoming Events

October

25-28 NMPF/UDIA/DMI Joint Annual Meeting
- Reno, Nevada

November

22 MMPA Leaders' Conference - East Lansing

WTO Framework Agreed To, Talks Will Continue Into 2005

In the final days of July, WTO negotiators agreed on a framework text from which further trade discussions can proceed later this year, and into 2005.

While this framework text was a vital step forward in the WTO Doha Round negotiations, much work still remains to arrive at a new WTO agreement. Negotiators will use this framework to work towards a final treaty over the next 18 to 24 months.

The framework text contains many of the objectives sought by NMPF. Most importantly, it mandates that all export subsidies will be eliminated by a date to be negotiated. Export subsidies suppress world dairy prices and U.S. exports, while also increasing U.S. imports. The European Union (EU) is currently allowed to spend 100 times more than the U.S. in terms of export assistance.

On market access, the tiered approach to tariff reduction will require bigger cuts in higher tariffs, leading to some degree of harmonization, and permitting the U.S. to retain a certain level of protection. All countries must provide some access in all products. Taken together, these provisions preserve the possibility of securing greater market access liberalization gains into the EU, Canada, Japan and other key markets, as compared to what the United States must provide in return.

Finally, the agreement retains the ability to provide a safety net to U.S. dairy farmers. Domestic support levels will be harmonized through a tiered reduction formula to create more similar levels of support.

EU's Trade Commissioner Bullish On Prospects For WTO Talks

European Union trade commissioner Pascal Lamy said in early September that he is optimistic that the new World Trade Organization framework negotiated this summer could help seal a new agreement by early 2006.

The 147-nation WTO reached a framework agreement in late July, including substantial reform of agricultural trade issues, such as the elimination of export subsidies, as part of a wider-ranging round of trade liberalization.

As part of the WTO framework, the EU has agreed to eliminate all its agricultural export subsidies provided other developed countries do the same.

"Europe has done...the reforms that allow export subsidies to disappear, and it's just a question of transition and phasing out" of the program, he said.

Lamy, who leaves his post November 1, said the meeting of world trade ministers due in late 2005 could be ready to deal with "what remains to be negotiated" to reach agreement for the Doha Round and to strike a deal the following year.

Producers scoring 95 percent or more on Grade A Surveys and Federal Check Ratings

MMPA Country Fresh
August 2004

Lawrence Lenhart*
John L. Woodman Jr.
Paul Demann
Charles Wamhoff
Mark Hilaski
Bernard Baker
Rob-Len Dairy
Timothy Baker
Alflen Dairy Farms Inc.
Med-O-Bloom Farms LTD
Lynn Huff
Rosebrook Farm
Lavern & Douglas Demann

*Scored 100 percent

Producer Name	Score
Lawrence Lenhart	100
John L. Woodman Jr.	95
Paul Demann	95
Charles Wamhoff	95
Mark Hilaski	95
Bernard Baker	95
Rob-Len Dairy	95
Timothy Baker	95
Alflen Dairy Farms Inc.	95
Med-O-Bloom Farms LTD	95
Lynn Huff	95
Rosebrook Farm	95
Lavern & Douglas Demann	95

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