

November Class III Price Up 73 Cents

The Class III price for November hit a 5-month high of \$14.89, up 73 cents from October and up \$1.42 from a year ago. It is the second highest November price ever. The November Class IV is \$13.34, up 53 cents from October.

Assessing the Structure and Organization of the Michigan Dairy Industry

The Michigan dairy industry has undergone substantial structural change in recent years. Information currently available provides only state-level summary statistics. Michigan State University will undertake a survey in 2005 to assess the structure and operation of dairy farms in Michigan. The survey will provide a clear understanding of where the Michigan dairy industry is today and plans and expectations of the industry in the years ahead.

This survey will provide valuable information for the efforts to determine the cost of production, provide financial analysis, identify planned growth and profit strategies, and determine the effectiveness of labor management techniques. The survey will gather information on a wide variety of variables related to the current and future structure of the Michigan dairy industry.

Farms will be randomly selected and results will be available from MSU. The survey will be sent out in February to assess the most recent financial information.

Agriculture's Conference on the Environment Scheduled for March

Agriculture's Conference on the Environment (ACE) will take place March 10, 2005 at the MSU Kellogg Center in East Lansing from 9 a.m. to 4 p.m.

The conference will discuss economic and regulatory changes that influence Michigan farms of all sizes. It is designed to help farmers better understand laws and regulations that impact agriculture and how to protect the environment on individual farms.

Registration is \$50 per person by March 3 and \$75 after. Lunch and parking are provided in the registration fee. For more information, contact the MAEAP office at (517) 241-4063. Additional conference details will appear in the February *Messenger*.

USDA to Lift Canadian Beef Ban in Future

President Bush recently told the Office of Management and Budget to "expedite" action to allow cattle imports from Canada "as soon as possible." The United States banned imports in May 2003.

While visiting Canadian Prime Minister Paul Martin in early December, Bush acknowledged the frustrations of Canadian cattle producers, but said that the border's reopening would come at the end of a lengthy, bureaucratic process. Martin said he hoped that any regulatory delays could be cut short as the mad-cow issue had already been "studied to death."

Canadian cattle producers have lost an estimated \$4.2 billion since the discovery of a cow with mad-cow disease in May 2003. In 2002, about 1.7 million head of cattle were shipped to the United States from Canada, two thirds of the total imported.

The ban has created depressed slaughter prices, eroding Canadian farm incomes. Canada's cattle inventory rose to a record 16.8 million head at midyear, up 6.5 percent from a year earlier.

Upcoming Events

January

- 27 MMPA Local Meetings Continue
MMPA Resolutions and Nominating Committee Meetings - *Novi*

February

- 3 MMPA District Meetings
Forward Contracting 101 Workshop - *Lansing*
17-19 Great Lakes Dairy Conference - *Frankenmuth*
24-25 UDIM Dairy Product Promotion Seminar - *Lansing*

Bush Names Nebraska Governor as New Agriculture Secretary

The choice of Nebraska Governor Mike Johanns as the new U.S. Secretary of Agriculture is a positive development for America's dairy farmers and their cooperatives, according to the National Milk Producers Federation.

"Governor Johanns has extensive experience in managing local and state governments, and that kind of administrative background is exactly what is needed to run an agency as large as the USDA," said Jerry Kozak, President and CEO of NMPF. "He is uniquely sensitive to many of the challenges facing America's farmers and ranchers, because his state is so dependent on agriculture."

Johanns, 54, served on the Lincoln city council prior to being elected Mayor of Lincoln in 1991. He then ran successfully for governor of Nebraska in 1998, and was reelected in 2002.

Kozak said that many of the challenges facing agriculture in the 21st century are issues that Johanns is well-prepared to face, including changes in world trade policy, taxation, food safety, bioterrorism, energy, rural development, and resource conservation.

Because Johanns was raised on a dairy farm in Iowa, he also will be well-positioned to understand the challenges facing dairy farmers, Kozak added.

"There's no substitute for having been raised on a farm, where all the big-picture challenges that farmers must deal with mix with all of the day-to-day aspects of running a dairy farm," Kozak said.

USDA To Continue Announcing Inconclusive BSE Test Results

Even though three announcements of inconclusive BSE testing results have caused disruptions in the cattle market, the U.S. Agriculture Department has said it will maintain its policy of publicizing preliminary results of tests for mad cow disease.

After two initial blood screenings tested positive, an animal was cleared of mad cow disease two days before Thanksgiving after the USDA twice ran the more accurate immunohistochemistry tests on the animal's brain tissue.

The incident was the third "false positive" generated by the Bio-Rad screening kit since the USDA began using rapid screening tests in June to speed up and broaden surveillance of the U.S. cattle population for mad cow disease. Bio-Rad has touted the accuracy of its rapid-test kit, particularly under the new procedure used by the Agriculture Department.

"The test is designed to be extremely sensitive so that it will detect any sample with the potential of being positive," the Hercules, Calif., firm said in a statement.

USDA spokesman Ed Loyd said the department would continue to publicize the results when two screening tests were inconclusive for the same animal, even though USDA has stated the rationale for its announcement policy is to reduce disruption to the beef markets.

"It's very important that consumers and industry hear from USDA on what is occurring," Loyd said. "Otherwise, you would have even more speculation, and I think that is even more harmful to the markets."

Because it takes four to seven days for confirmatory tests to be completed, some consumer groups, as well as livestock organizations, have said that USDA's public notifications needlessly scare consumers and hurt commodity markets.

CAFO Workshops Planned

Three workshops will take place in February geared toward small, medium or large Concentrated Animal Feeding Operations (CAFO) and consultants or local resource providers to CAFOs.

The workshops will teach farmers which farms are affected, how to plow through the permit process and get the right coverage at the right time, when to use the Right to Farm Livestock Facility Siting process, and how to understand timelines for future requirements.

Registration is \$50 before Jan. 14 and \$75 after. To register call (800) 662-9278 or e-mail deq-ead-env-assist@michigan.gov. Registration forms are available at www.michigan.gov/deqworkshops.

Workshop Locations:

Feb. 3 Fetzer Center, Kalamazoo

Feb. 8 The Terrace at English Hills, Comstock Park

Feb. 10 Bavarian Inn Restaurant, Frankenmuth