



News & Views

The latest dairy news

May Class III Price Up \$1.51

The May Class III price is \$17.60, up \$1.51 from April, and up \$6.77 from a year ago. The May Class IV is \$18.48, up \$2.36 from last month and up \$8.51 from last year.

U.S. and Canada now Share BSE Status

The World Organization for Animal Health (OIE) has given both Canada and the U.S. the same risk status for mad cow disease, or bovine spongiform encephalopathy, which could add impetus for the U.S. to fully reopen itself to Canadian cattle imports.

On May 22, 2007, the OIE formally classified the United States and Canada as a "controlled risk" country for BSE. The classification confirms that regulatory controls are effective in controlling BSE. USDA will use the new OIE classification to urge trading partners to reopen export markets to the full spectrum of U.S. cattle and beef products.

With Canada obtaining the same classification as the U.S., NMPF expects increased efforts to re-open the border to Canadian animals older than 30-months of age. NMPF believes the OIE classification is appropriate to allow

importation of animals of any age from Canada directly for slaughter, but not animals for breeding or herd replacement purposes.

Estimated BSE prevalence in the Canadian cattle population is at least seven times that of the U.S. Under USDA's own BSE model predictions for re-opening the border to animals for replacement of breeding purposes, 21-180 new BSE infected animals will be identified due to importation of cattle from Canada over the next 20 years. Under the Animal Health Protection Act, the Secretary of Agriculture may prohibit the importation of any animal or article if the Secretary determines that the prohibition is necessary to prevent the introduction into or dissemination within the United States of any pest or disease of livestock. NMPF believes that the BSE situation in Canada is such that an animal could be imported into the U.S. and, if allowed to reside amongst the U.S. dairy herd, introduce or disseminate BSE in the U.S. This is evident by the number of cases of BSE from animals born after the Canada's implemented ruminant feed ban. Canada's most recent BSE case was identified on May 2, 2007 in a 66-month old dairy cow in British Columbia.

MMPA Employee Retires

MMPA Member Services clerk Connie Warden will officially retire from the association on July 1, 2007.

Connie began her career with MMPA in 1983 as a clerk in the Milk Sales department. She moved to her current position in Member Services in 1999.

MMPA extends our appreciation to Connie for her 24 years of service to the cooperative and its members. We wish her well in her retirement.

Upcoming Events

July

- 16-20 Michigan Dairy Expo – *East Lansing*
- 17-19 Ag Expo at Michigan State University – *East Lansing*
- 18 Great Dairy Adventure – *East Lansing*

August

- 15-17 Outstanding Young Dairy Cooperator Conference – *Novi*



NMPF Concerned with NAFTA Trucking Restrictions

A letter was recently sent to each member of Congress on behalf of NMPF and 31 other organizations regarding efforts to block the North American Free Trade Agreement (NAFTA) policy to allow Mexican and U.S. trucks to deliver international cargoes throughout each other's territories. NMPF's concern is that trucking restrictions could inflict serious financial harm on U.S. farmers, ranchers, and agribusinesses.

The groups are concerned that Congress has delayed implementation of a modest demonstration program for cross-border trucking with a provision recently attached to the Iraq supplemental spending bill. Of paramount concern, however, is H.R. 1773, legislation that was passed by the House. H.R. 1773 effectively rewrites NAFTA by stripping the Administration of authority to operate anything but a limited test program for three years.

Supporters of this proposed legislation contend that they are concerned about highway safety. But Mexico has always agreed that its trucks and drivers will have to comply with all U.S. safety standards. Indeed, the demonstration program requires that U.S. inspectors examine and clear all Mexican trucks on-site in Mexico before any can participate – a step we do not require for trucks driving through

our nation from Canada, our other NAFTA partner, or, for that matter, for U.S. trucks.

If implemented, the legislation would create a number of serious problems:

- It would signal to the world that the United States is willing to unilaterally renegotiate the terms of an existing trade agreement.
- Second, it enhances the likelihood that Mexico will likewise disregard commitments that it made in the NAFTA. There is significant unrest in Mexico over the termination of remaining Mexican tariffs which are scheduled under the NAFTA to be removed on January 1, 2008. Although Mexico's government has reaffirmed its commitment to implement these NAFTA obligations, it is under immense political pressure to disregard some NAFTA provisions - in particular, provisions regarding food and agriculture, which could affect U.S. farm exports to Mexico.
- Third, Mexico could legally retaliate against the United States on the trucking issue. A NAFTA dispute-settlement panel unanimously ruled in 2001 that the blanket exclusion of Mexican trucking firms from

the United States violated U.S. obligations under the NAFTA. Mexico was authorized to retaliate against about \$2 billion in U.S. imports. Fortunately, to date, Mexico has refrained from retaliating against the United States. Unless Congress stops preventing implementation of the cross-border trucking program – which Mexico's U.S. ambassador correctly calls “a powerful symbol of the state of our bilateral relations” – NMPF fears that Mexico may retaliate and that U.S. food and agriculture will be the hardest-hit sector. That would seriously harm U.S. farmers, ranchers and food companies and reverse the vital gains that U.S. agriculture has achieved because of the NAFTA.



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

MMPA Flint

May 2007

James & Matthew Fischer*

Rainbow Creek Farms*

Derek Brewer

Roger Markey

Edward Joe Lawler

James Vantine Jr.

Chester Petzold

Alfred Stuever

Blumerich Farms

Walz Farms Inc.

Krafft Farms LLC

Richard & Susan Noake

Hasler Valley Dairy Farm

Brian Herner

**scored 100 percent*