



News & Views

The latest dairy news

August Class III Price Down \$1.55

The Class III price for August is \$19.83, down \$1.55 from July but still up \$8.77 from a year ago. Prior to August, Class III prices had increased for 12 straight months. The Class IV price for August is \$21.87, up 23 cents from July and up \$11.23 from last year.

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

MMPA M & G

August 2007

Rick Sutton*

Dennis Higgins*

Noll Dairy Farm Inc.*

Sharrard Farms LLC*

Edward, Sandra & Steven
Adamic

Kenneth Bader

Tracy & Theresa Sohn

Gregory & Shelly Messing

Bryce Shave

Arthur Peruski

Alan & Mary Nichol

Bob, Jeffrey, Daniel & Andrew
Parr

Joyce McPhail

Gib & Sherry Hennika

Jarmolowicz Farms

*scored 100 percent

NMPF Comments on Change in Canadian Cheese Standards

Working closely with the U.S. Dairy Export Council, NMPF submitted comments to the Canadian government in August regarding a proposal to change Canadian cheese compositional standards. Canada is proposing to more strictly limit the amount of dairy ingredients other than fluid milk that can be used in cheese making.

If Canada follows through with this proposal, it is expected to have a negative impact on U.S. exports of cheese and dairy ingredients, such as whey products, to Canada. Canada is the U.S.'s second largest export market for cheeses and the third largest export market for whey products.

NMPF's comments delivered the clear message that Canada's proposal would result in a violation of its international trade commitments. NMPF is working with other U.S. dairy industry organizations and the U.S. government to vehemently urge Canada to reconsider such an approach, given the legal concerns at stake. The Canadian government is now in the process of reviewing all comments before issuing a final rule on this issue. NMPF will continue to work closely with others against the implementation of Canada's proposal.

MSU Associate Professor Jeanne Burton Passes

Jeanne Louise Burton, 48, died peacefully at her country home near Bellaire, Michigan, surrounded by family and best friends, on Sunday, August 26, 2007, following a short but brave battle against cancer. A graduate of Havergal College, in Toronto, Ontario and of the University of Guelph, in Guelph, Ontario, Jeanne was Associate Professor in the Department of Animal Science at Michigan State University, in East Lansing, Michigan, specializing in Dairy Cattle Immunophysiology and Immunogenetics. Jeanne was a member of the Dairy Science Association, the American Association of Veterinary Immunologists and the American Association for the Advancement of Science. Jeanne published over 70 peer-reviewed articles on bovine immunology and was a frequent reviewer for Canadian and American scientific granting agencies. She devoted her life to loving her family and friends, mentoring her students and collaborating with colleagues throughout the world. She leaves her beloved husband Paul Cousens of Lansing, Michigan.

Upcoming Events

November

12-14 NMPF/UDIA/NDB Joint Annual Meeting – *Orlando, FL*

19 MMPA Leaders' Conference – *East Lansing*

NMPF Disappointed with USDA Decision to Reopen Canadian Border in November to Dairy Animal Exports

Canadian Cattle Exports Could Undermine U.S. Milk Prices, Consumer Confidence

The National Milk Producers Federation has expressed serious reservations about the impact of a renewal in Canadian dairy animal exports to the United States.

The U.S. Department of Agriculture announced on Friday, Sept. 14 that it will reopen the U.S. border on Nov. 19 to all types of Canadian cattle, including those intended for slaughter, as well as those for breeding purposes, which would include dairy heifers.

The U.S. closed its borders to Canadian beef and live cattle four years ago, following the discovery of BSE, or mad cow disease, in May 2003. In 2005, the USDA reopened the border for younger animals destined for slaughter, and for meat from younger animals. The new regulation will allow exports of all forms of Canadian cattle exports born after March 1, 1999, including milk cows to be used for breeding purposes.

“The USDA has dismissed as ‘negligible’ the economic impact of this decision, but dairy farmers are very concerned about what this will do to their milk prices,” said Jerry Kozak, President and CEO of NMPF. “Our analysis shows that a return to export levels of 2003 will reduce milk prices by 18 percent over the next five years, cutting dairy farmer income by \$5 billion.”

Those figures were shared earlier with both the USDA and the Office of Management and Budget (OMB), which have the responsibility to assess the impact of major changes in federal regulations.

NMPF estimates that additional annual imports of between 47,000 and 60,000 Canadian dairy heifers could increase milk production by 0.5 percent per year over the next five years, which “is a large enough quantity to generate significant damage in the milk checks of dairy farmers,” Kozak said.

In addition to a reduction in milk prices, a surge in Canadian dairy animals will reduce the current value of a farmer’s dairy herd, “substantially reducing” his net worth, Kozak said.

NMPF is also concerned that while Canada is being classified as a “minimal risk” country, it could potentially export more animals infected with BSE with negative ramifications for beef prices as well as milk prices. There have been seven cases of BSE in Canadian cattle born after implementation of a feed ban in 1997 to prevent the spread of mad cow disease, and five of those were born after Mar. 1, 1999 – and thus could have been sent to the U.S. under the terms of the new regulation.

“Our dairy farmers can’t take any comfort from USDA’s probabilities and statistical projections. The reality is that animals infected with BSE in Canada become our problem

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– Jerry Kozak,
NMPF President and CEO

when they arrive in the U.S.,” Kozak said, pointing out that the first case of BSE in the U.S. in 2003, in an animal located in Washington State, was born in Canada.

“The existence of BSE-infected animals could substantially undercut demand for beef, as it has done in Europe. It could also lead to greater discounts for dairy cows at slaughter,” Kozak said.

NMPF staff met in early September with officials from the OMB, asking for an opportunity to further assist the OMB with a full review of the potential impact of this proposed regulation.

Kozak said that NMPF has “laid a clear and coherent foundation for any future action that may be necessary to protect the integrity of our national dairy herd. We are examining what additional recourse we may have in this matter.”