



# News & Views

The latest dairy news

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

### **MMPA Wisconsin BTU #1**

*APRIL 2009*

John & Maria Kiszonas

### **MMPA Wisconsin BTU #2**

*APRIL 2009*

Van De Walle Farms LLC

### **MMPA Remus BTU**

*APRIL 2009*

Gerald & Brent Cottle

Clark Dairy Farm LLC

Gross Farms Inc.

Victor Daniels & Sons

Tim Ostroski

Dean Edgecomb

Richard Fettig

Joseph & Sylvia Verville

Marvin Rubingh

Gerald & Jeana Colvin

Ryan Colvin

Joseph & Lana Vohwinkle

Nelkie Farms LLC

Schagel Dairy Farm

## April Class III Price Up 34 Cents

The Class III price for April is \$10.78, up 34 cents from March, but down nearly \$6 from last year's \$16.76. The April Class IV price is \$9.82, up \$0.18 from March, but down \$4.74 from a year ago.

## FDA Delays Feed Ban Implementation, But Compliance Challenges Remain

On April 24, FDA published its final rule on implementation of the BSE Enhanced Feed Ban. Despite great concerns from the dairy and beef industries about the effect this rule will have on animal disposal, the rule went into effect on April 27. However, renderers will have until October 26 to comply with the rule.

NMPF has informed FDA numerous times over the past five years that the rule will result in the loss of the ability to render dairy animals over 30 months of age and that disposal options are limited in some areas of the country. Last month, EPA and FDA announced that deadstock and Specified Risk Material from rendered animals can be disposed of in landfills. However, the patchwork of local and state regulations still limit disposal opportunities for many dairy producers. FDA has stated it will work with affected industries over the next six months to resolve these disposal issues.

## Upcoming Events

### **June**

17-18 4-H Milk Marketing Tour – *Novi*

30 MMPA Advisory Committee Meeting – *East Lansing*

### **July**

20-24 Michigan Dairy Expo – *East Lansing*

21-23 Ag Expo – *East Lansing*

22 Great Dairy Adventure - *East Lansing*

## **CWT to Remove more than 100,000 Cows, 2 Billion Pounds of Milk in Largest-Ever Herd Retirement**

Cooperatives Working Together (CWT) announced April 13 that it had tentatively accepted 388 bids representing 102,898 cows and 2 billion pounds of milk production capacity in the first of a series of herd retirements planned over the next twelve months. The number of cows and pounds of milk represent the largest single herd retirement carried out in the six year history of CWT.

Dairy farmers in 41 states submitted a total of 538 herd retirement bids by the May 1 deadline. The 388 bids tentatively accepted represent 72 percent of the total bids received by CWT. The number of cows now scheduled to be removed account for 64 percent of the total number of cows offered and the 2 billion pounds of milk account for 67 percent of the milk production offered.

“The high percentage of bids CWT selected this time around is an indication that producers understood that CWT would only be able to accept reasonable bids per hundred pounds of milk in order to adjust the nation’s dairy herd and better align supply and demand,” said Jerry Kozak, President and CEO of the National Milk Producers Federation (NMPF), which administers CWT.

The week following the announcement, CWT field auditors began visiting the 388 farms whose bids were accepted, checking their milk production records, inspecting their herds, and tagging each cow for processing. CWT officials estimate that all farms will be audited by early July. All bidders will be notified no later than June 12, 2009, as to whether their bid was among those accepted.

“The bids selected ranged from farms with fewer than 50 cows to dairies with over 5,000, demonstrating that farms of all sizes in all areas are facing a very difficult year in 2009,” Kozak said. “Those that took advantage of CWT’s offer to retire their herds will aid others still wanting to farm by reducing the amount of milk coming to market and strengthening prices going forward.”

“CWT, thanks to the commitment of 36 cooperative members and over 500 individual dairy farmer members, has the resources to carry out additional herd retirements in the coming months. That is why CWT will not announce the average level of the bids accepted until all the herd retirements are completed,” Kozak noted. “We will continue to monitor key economic indicators in order to determine the right time to implement the next herd retirement.”

Once CWT’s field auditors inspect and accept the herds offered as part of the bidding process, farmers will have 15 days in which to send their animals to a processing plant. CWT will again provide to each farmer the NMPF guidelines for the proper culling and transporting of dairy cattle, Kozak said.

Producers whose bids are accepted in this herd retirement will be paid in two installments: 90 percent of the amount bid times the producer’s 12 months of milk production when it is verified that all cows have gone to slaughter, and the remaining 10 percent plus interest at the end of 12 months following the farm audit, if both the producer and his dairy facility – whether owned or leased – do not become involved in the commercial production and marketing of milk during that period.

## **National Dairy FARM Program Development Continues**

The National Dairy FARM Program, created by NMPF and Dairy Management, Inc. (DMI) to bolster consumer trust and confidence in the U.S. dairy industry and demonstrate the industry’s commitment to the highest levels of animal care and quality assurance, continues to advance towards the publication of its animal care standards.

The Technical Writing Group (overseen by the NMPF Animal Health & Welfare Committee) is deep into the development of the animal care guidelines that will be the basis for the on-farm assessments and third party verification. The guidelines cover animal care in the areas of nutrition, animal health, housing and environment, and handling, movement, and transportation for the entire life of an animal on a dairy farm. The manual is anticipated to be finalized this summer. The National Dairy FARM Advisory Panel, consisting of various stakeholders from farm to fork, continues to meet monthly to provide guidance on the development of the program.

In the next few months, NMPF and DMI will begin outreach to cooperatives and producer groups about the National Dairy FARM Program.