



# Idaho Dairy



THE IDAHO DAIRY FOCUS IS BROUGHT TO YOU BY  
IDAHO DAIRYMEN'S ASSOCIATION

## focus

December 2010

*The Idaho Dairymen's Association (IDA) was established to continue to develop and sustain an economically viable Idaho Dairy Industry that works together to achieve success in the domestic and global marketplace in meeting the needs of the Idaho dairy farm families.*

### View from the Board Room

by Mike Roth IDA President

In 2011, your UDI board of directors and management team will be concentrating on issues that will help shape Idaho dairy farmers' future. In January or February we will be holding informational meetings in Treasure Valley, Magic Valley and Eastern Idaho with regards to National Milks' "Foundation for the Future." After the meetings, there will be a vote of the membership at a special meeting of the members. It's important for you to participate and have input.

The pay price in Idaho is the lowest in the nation, therefore, factors that impact our cost of production are critical to us. This is the driving factor behind our continual efforts to eliminate current ethanol subsidy programs and oppose the continuation or development of additional programs both at the Federal and State level.

Your board will also be working on several issues with respect to protecting our rights to dairy in an ever increasing world that scrutinizes animal agriculture; Immigration, pathogen drift, and protein & butterfat testing are some other topics we will be addressing.

The financial stress continues and that is ultimately what is in most producers' minds. We as your Board understand that and even though we cannot directly affect producer prices we must continue behind the scene to protect Idaho dairy farmers the best we can. Eventually profits will return and the industry will thrive again. Dairy is too important to Idaho and our rural communities to be thrown under the bus like we have the last couple of years. In addition, competition for farm ground other than for growing hay and corn silage is raising our cost of production. This is not new news but from a dairymen's perspective, I think about it a lot because it directly affects our profitability.

Finally I would strongly urge everyone to participate at the 2¢ level supporting CWT's revised program of export assistance. The herd removal program will no longer be a part of the CWT program and the 2¢ will only go to export assistance. Remember we need to get product out of Idaho and out of the United States for us to be successful. Thanks for your support and please let us know what you're thinking.

### Christmas Reflections



"We know God's love not by looking at the gifts on our table but looking at His gift in the stable. There, as the proof that he loves us, God has given all he has to give; His only Son." - Andrew Kuyvenhoven

"Times are hard, indeed--but they never surprise God. He promises to use our uncertain times to accomplish His bigger and better purposes all around our world . . . and deep within our lives." - Charles R. Swindoll,

*We wish you a Merry Christmas may the Spirit of Christmas shine in your life in the coming New Year!*

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## Potential Additional Income for Dairy Producers.

The Idaho Dairymen's Association (IDA) negotiated a contract with Western Renewable Energy Analysts Inc. (WREA) which is a company specializing in clean energy and carbon accounting.

"For the past several months the IDA Board, our staff and attorneys have been in the process of developing a contract that can be utilized by all dairy producers with WREA that has the potential for generating additional income for dairy producers. Multiple companies have shown interest in working with IDA in identifying avenues in which they could work with producers, WREA offered a program that was flexible enough and allowed performance incentives within the contract that encouraged us to go forward with WREA," stated Mike Roth President of IDA.

The process begins with an evaluation of the dairy operation and its current practices that qualify for carbon credits. WREA provides all services necessary to determine the carbon credits or carbon credit offsets for the dairy farms from 2002 through 2010, to verify the carbon credits or carbon offsets, to register the Dairy Owner's Project with the Voluntary Carbon Standard VCS Association ("VCS") and to sell the credits as VCUs.

WREA looks at the entire carbon footprint of an operation to determine a true carbon accounting that involves all aspects of

energy input and output. The data that is collected can determine practices that are "above and beyond" typical accepted practices. This practice combined with good management can be an "additionality" that can then be translated into a carbon credit. In addition to developing verifiable, tradable carbon credits WREA can assist in the producer's ability to conform to permit regulations and optimize smart energy usage.

This is not just for large producers, according to Bob Naerebout Executive Director of Idaho Dairymen's Association, "The program is designed in such a way that we can cluster smaller producers who have similar management practices." According to Mr. Naerebout the success of the program ultimately for both large and small producers will be WREA's ability to sell the carbon credits.

Scott Foster, President of WREA stated "Energy and greenhouse gas management in the dairyfarm sector are being addressed comprehensively by the effective leadership shown by the IDA board."

Contact us at [bob@wdbs.us](mailto:bob@wdbs.us) for additional information or Scott Foster at [wreaincsf@gmail.com](mailto:wreaincsf@gmail.com).

###

## IDWLT No Longer Involved in Water Mitigation

For the past four years the Idaho Dairy Water and Land Trust (IDWLT) has participated in late season recharge to mitigate for water usage by dairy livestock in the Eastern Snake Plain Aquifer. The IDWLT was formed by the Idaho Dairymen's Association over concerns generated from Water Calls from fish hatcheries and others. The mitigation agreement for the impacted dairy producers was with Clear Springs Foods, the Surface Water Coalition, and Thousand Springs Water Users Association and approved by the Director Idaho Department of Water Resources.

This decision comes as a result of numerous factors, not the least of which is the continuing economic situation facing participating dairymen in the IDWLT. Participating dairymen located within the impacted ground water districts have opted to also pay assessments to the ground water districts for mitigation. These dairymen then have been paying for mitigation on two fronts but are no longer in a position to do so.

The Mitigation Agreement has accomplished what all involved intended and that was to avoid what potentially would be contentious and costly disputes amongst water users. Under the Mitigation Agreement, IDWLT has spent in excess of \$250,000 to recharge over 13,000 acre-feet of water into the ESPA. That was

made possible through IDWLT purchasing water for recharge and donations of water by Clear Springs and the Surface Water Coalition and the North Side Canal Company conveying the water for IDWLT. This genuine effort by these companies to work with dairy producers is greatly appreciated.

When IDA entered into the stipulation with the Department of Water Resources, the Surface Water Coalition, and Clear Springs in 2007, it agreed to conduct a dairy water use study to better define actual depletions to the ESPA on a gallons per cow basis. IDA has fully funded that research; the USDA-ARS is intending to produce the results this winter.



## What Really Happened in 2009

And How CWT Export Assistance Can Help Prevent it in the Future

By Jim Tillison, NMPF

It is commonly believed that the disastrous dairy farm income situation in 2009 was caused by a "collapse in demand," especially in the export markets for U.S. dairy products.

This is not correct. Total dairy product consumption, both domestic and international, actually grew strongly in 2009.

What collapsed was the U.S. dairy industry's share of the world market, which shrunk because of a reduced ability to compete in the global market in 2009. The resulting collapse in U.S. milk prices was deeper and lasted longer for U.S. dairy farmers than if the CWT Export Assistance program had been available.

USDA data shows the immediate cause of the problem in 2009 was a 1.7% (3.2 billion pound milk equivalent) drop in total commercial sales of U.S. dairy products resulting from a 22% (4.3 billion pound milk equivalent) drop in U.S. dairy exports.

Dairy imports are a factor in USDA's calculation of U.S. domestic market sales. Its analysis shows that imports of dairy products dropped 12.3% in 2009, which meant that the U.S. dairy industry's domestic sales actually grew by 1.5%.

A 1.5% increase in the U.S. dairy industry's sales in the domestic market may be more modest than desired, but the U.S. domestic market is a mature market, and total sales in that market have generally not grown much faster than population in recent years, about 1% annually.

These numbers show clearly that domestic market sales of U.S. dairy products were not the cause of the 2009 U.S. dairy crisis. Nor can dairy product imports into the U.S. be the cause since they dropped by over 12% that year.

However, world dairy import volumes from 2008 to 2009, excluding imports into the U.S., grew in all major product categories:

- Butter: up 7%
- Cheese: up 2%
- Skim milk powder: up 9%
- Whey and lactose: up 18%
- Whole milk powder: up 9%

These numbers show clearly that a drop in world-wide dairy import sales volume cannot reasonably be considered to be the cause of the 2009 U.S. dairy crisis either.

So, if declining sales in the domestic and international dairy markets was not the problem in 2009, what was? In particular, what caused the big loss of U.S. dairy exports that year?

Basically, a drop in world dairy product prices resulted in a major loss of international market share for U.S. dairy product exports.

In 2007 and 2008 strong demand growth outpaced available supplies which increased prices dramatically. When this resulted in buyer resistance, the U.S.'s competitors aggressively cut prices to maintain export sales and to avoid building inventories.

These competitors actually increased both their export volumes and their shares of the world market in 2009, while the U. S. suffered major losses in both. For example, New Zealand increased its export volume 38%, and its share of the world market 30%. In contrast, the U.S. experienced a 15% decrease in product volume, and a 20% drop in world export market share in 2009, compared to 2008.

The loss of world market share that the U.S. suffered in 2009 represented the loss of about 4 billion pounds, milk equivalent, of commercial export sales last year. This forced the United States dairy industry into reducing cow numbers, primarily through the CWT program, and dealing with burdensome dairy product inventories through government action.

As a result, it took much longer for the needed adjustment to occur, destroying U.S. dairy farmer equity far more than if the industry had been able to maintain export volumes in 2009. And, two years after the world price collapse in late 2008, U.S. milk prices are still being impacted by high cheese inventories.

What this analysis strongly suggests is that the CWT Export Assistance program would likely have been more effective protecting dairy producer margins and equity in 2009 by maintaining product exports at a milk equivalent level the same as the volume of milk produced by the 200,000 cows removed through the three herd retirement programs.

Now that CWT herd retirements will not be continued, CWT will focus exclusively on the critical business of ensuring against the financially destructive erosion of U.S. export market share in the future.

For Idaho dairy producers to be successful in avoiding a repeat of 2009 in the future, their support in continuing an effective CWT Export Assistance program in 2011 and beyond is critical. Each and every Idaho dairy producer is urged to invest just two cents (2¢) per hundredweight in 2011 and 2012 in CWT. Please complete the CWT Membership Form on the following page, and mail or fax it back to CWT right away.



## 2011-12 INDIVIDUAL PRODUCER MEMBERSHIP AND ASSIGNMENT FORM

PRODUCER: \_\_\_\_\_ PRODUCER NUMBER: \_\_\_\_\_ ("Applicant")

FARM NAME: \_\_\_\_\_ PHONE: \_\_\_\_\_  
(If different)

ADDRESS: \_\_\_\_\_ EMAIL ADDRESS: \_\_\_\_\_

CITY/STATE/ZIP: \_\_\_\_\_

EMAIL ADDRESS: \_\_\_\_\_ ANNUAL MILK PRODUCTION: \_\_\_\_\_ (POUNDS)  
(Estimate)

Applicant hereby applies for or extends membership in Cooperatives Working Together (the "CWT Program"), a program of the National Milk Producers Federation ("NMPF"). Applicant may obtain a copy of the NMPF Articles of Incorporation and Bylaws by visiting the CWT website at [www.cwt.coop](http://www.cwt.coop) or upon request.

**MEMBERSHIP TERMS AND DUES:** Membership in the CWT Program shall be for twenty-four (24) months, (January 2011 through December 2012) and may not be terminated without the written consent of CWT. Applicant agrees to observe the CWT rules, as set forth in the NMPF Articles of Incorporation and Bylaws, as amended from time to time. Applicant agrees to pay CWT dues in the amount of \$0.02 per hundredweight of milk marketed by applicant during January 2011 - December 2012.

**ASSIGNMENT:** Applicant hereby assigns, and directs the Milk Plant/Handler identified below or any other Milk Plant/Handler as may process Applicant's milk, to pay over, \$0.02 per hundredweight (the "assessment") from Applicant's milk check each month for twenty-four (24) consecutive months during Applicant's term of membership beginning January 1, 2011, paid to:

CWT, 1815 Solutions Center, Chicago, IL 60677-1008

MILK PLANT/HANDLER (NAME AND ADDRESS): \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Phone: \_\_\_\_\_ Fax: \_\_\_\_\_

Applicant acknowledges and agrees that CWT is an express third party beneficiary of this assignment. Applicant will promptly inform CWT in writing of any change in Milk Plant/Handler it uses. This assignment shall be effective to authorize payment to CWT of the assessment by any subsequent Milk Plant/Handler used by Applicant; however, Applicant shall promptly execute and deliver to CWT an assignment substantially similar to this assignment directing payment of the assessment by the subsequent Milk Plant/Handler. This assignment shall be governed by and interpreted in accordance with the laws of the Commonwealth of Virginia, without regard to its conflict of law provisions. Any dispute, claim, demand or controversy arising out of or relating to this assignment or any action to enforce any term, provision or condition hereof shall be finally settled by binding arbitration administered in accordance with the terms set forth in the NMPF Bylaws.

A copy of this document shall have the same effect as the original.

SIGNATURE: \_\_\_\_\_ DATE: \_\_\_\_\_

NAME (PLEASE PRINT): \_\_\_\_\_

Return white copy of the completed application and assignment form to:

**CWT PROGRAM**

2101 Wilson Boulevard, Suite 400, Arlington, Virginia 22201

Phone: 1-888-463-6298

Fax: 703-841-9328

## Idaho Dairy's Renewable Energy Project Offers Sustainability Road Map for Dairy Industry

*Multiple Site Anaerobic Digester Project Illustrates Benefits to Environment, Operations*

**Filer, ID** – One of Idaho's largest dairies is proactively integrating a renewable energy infrastructure into its business operations that can be used as a sustainability blueprint for the dairy industry.

Owned and operated by Bettencourt Dairies, LLC, Rock Creek Dairy plans to integrate an anaerobic digester into its business to drive improvements that will convert manure into renewable energy, reduce greenhouse gasses and provide a number of efficiencies that will benefit both the dairy and the local environment.

While anaerobic digesters are already converting manure to renewable energy on dairies across the nation, the Rock Creek Dairy project plans to connect multiple sites, in a community dairy model, to a centralized location. Integrating anaerobic digesters can tremendously improve efficiencies throughout dairy operations at multiple touch points, from using heat generated from the conversion process to repurposing land previously dedicated to storing compost.

"Converting waste into energy minimizes our environmental impact and provides a consistent source of renewable energy that can be distributed to our surrounding communities," said Bettencourt Chief Financial Officer Rick Onaindia. "The true value of this project is its ability to serve as a model for the Idaho dairy industry for long-term sustainability, both from an environmental and business perspective. The success of this project could provide the template for a community of dairies to partner on a similar project that benefits everyone involved."

New Energy One, LLC is leading efforts to build, maintain and manage the digester on the Rock Creek Dairy site and is working toward final approval of the plan with the Twin Falls County Planning and Zoning commission in the coming months. The project has previously received PUC approval and New Energy One, LLC is working with Idaho Power to eventually deliver enough power to provide electricity to 1,000 homes.

"As a local company we believe that a viable, sustainable, globally competitive dairy industry brings tremendous benefits to our community" noted Jay Kesting, manager, New Energy One. "This project will employ both new and existing technologies to reduce the dairy's carbon footprint while creating operational efficiencies that enhance its competitiveness."

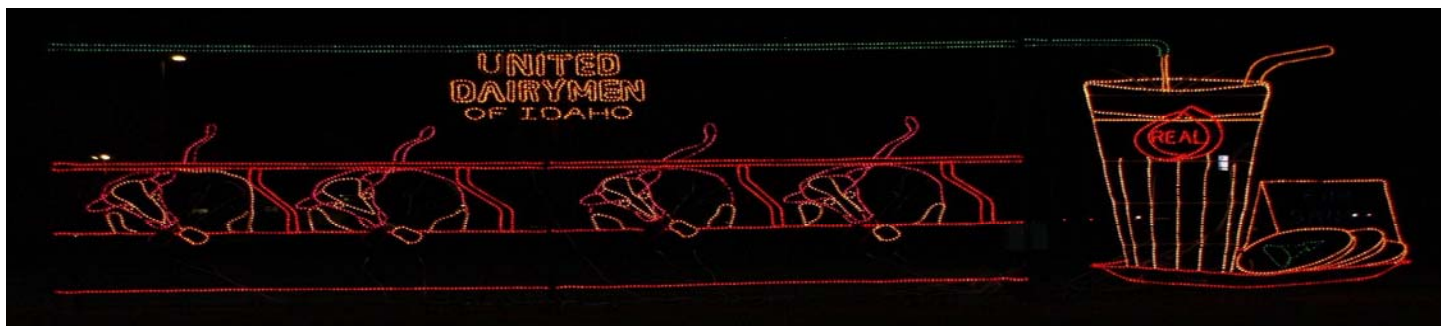
### About New Energy One, LLC

New Energy One, LLC was created with the goal of increasing the sustainability of the dairy industry through the construction and integration of anaerobic digesters into dairy operations. The limited liability corporation was created solely to manage the Rock Creek Dairy project.

## *Christmas Lights in the Night Time Sky.*

The 24 foot long and 12 foot tall United Dairymen of Idaho Christmas light display seen below can be found at the Magic Valley Mall in Twin Falls, Idaho. Last year the Mall started having a mile long light display around the outside of the shopping cen-

ter. The light display started just before Thanksgiving Day and will run through New Year's Day. The displays were sponsored by different community businesses and organizations.



## 2010 IDA Elections

### *IDA Board of Directors*

After serving six (6) years, Frank Teunissen decided not to seek re-election to the IDA board of Directors in District I (Treasure Valley). Replacing Frank is Adrian Kroes. Adrian is a third generation dairyman operating SunRidge Dairy with his family. Adrian has been actively involved in the dairy industry for 28 years, the first 20 yrs in California and the last eight (8) in Nampa, ID. Previously Adrian served on the Board of the Milk Producers Council in California and also served on the Producer Review Board for California Dept of Food & Ag Milk Pooling Div.

### *Resolution Committee*

We also have two new elected members to the Resolution Committee. From District I, Don Heida will replace Nick DeRuyter. Don and his wife Alice live in Kuna. They have four adult children and are eagerly anticipating their first grandchild. Don and Alice have been in dairying in the Treasure Valley for ten years and have enjoyed the opportunities Idaho has to offer. Prior to moving to Kuna, their dairy farm was located in Corona, CA, where Don served on the Hi-Grade Milk Producers Board. Don has also been involved in California Milk Producers, Water Quality Commission, and their Church Governing Board.

From District II, (Magic Valley) Arie Van Straalen will be replacing Steve Ballard. Arie and his wife Alice have been in Idaho since 2002 and have a dairy operation in Jerome, Idaho. The dairy includes 1200 milk animals; they also farm 600 acres of grounds. Arie was born in Southern California in 1968, his family moved to Lynden, Washington in 1977 to start their own dairy. In 1991 they bought Aries parents out and rented their dairy until 2002 when the opportunity came up to follow their dream of owning their own dairy in Idaho. In 2007 they bought their current dairy north of Jerome. Arie currently represents the Magic Valley on the Independent Dairy Environmental League (IDEAL) Board of Managers.

Arie and Alice have been married for 15 yrs, they have three children who attend Jerome Schools. They are members of New Life Community Church in Wendell, Idaho, where Arie has served on the Consistory.

We want to thank Frank, Nick and Steve for their willingness to serve the Idaho dairy industry.

## Education & Research Grants Funded by IDA

The United Dairymen of Idaho recently approved funding in 2011, for educational programs and environmental research. The funding was awarded to USDA Agricultural Research Service and to the University of Idaho College of Agriculture and Life Sciences. The following programs received funding.

Dr. Amin Ahmadzadeh, University of Idaho - Project title "Dairy

Science Learning Experience: Cultivating a Better and Progressive Dairy Education Program for Idaho."

Dr. Christopher Schneider and Dr. M. Wayne Ayers- Project title "University of Idaho and United Dairymen of Idaho: Northwest Bovine Veterinary Experience Program."

Dr. Joseph C. Dalton, Dr. Richard J. Norell, and Dr. Mireille Chahine, University of Idaho Dairy Extension Programs.

Dr. Robert S. Dungan, USDA ARS - Project title "Identification and quantification of pathogens in dairy wastewaters."

Dr. Amin Ahmadzadeh, University of Idaho - Project title "The effect of prostaglandin F2 on growth of Mycoplasma bovis associated with bovine mastitis."

## U of I Extension Corner

Dr. Mireille Chahine, Associate Professor and Extension Dairy Specialist, Animal and Veterinary Science Department, University of Idaho, dairy@uidaho.edu.

Welcome to this new section of the Dairy Focus titled "Extension Corner". The Extension dairy team at the University of Idaho will use this section to communicate with you, post new events, and answer frequently asked questions.

We are organizing several workshops and webinars for 2011 targeting both dairy producers and dairy employees. During the first two months of the year we are teaming with local veterinarians to offer a workshop that will teach employees how to conduct a physical exam of a cow. Finding and treating sick animals early is the key to maintaining a safe, nutritious food supply. On dairies, this begins with a basic physical exam of the cow. Frequently an employee working outside or in the milking parlor has some training or experience in identifying sick cows. However, too often a sick cow goes undetected until the problem is so big that the costs associated with treatment and loss of productivity are enormous.

This program will train dairy workers to identify cows that appear abnormal and conduct a basic exam to determine if they need to be pulled out for treatment and/or if the veterinarian or herdsman needs to be called to action. Having well trained employees in the parlor and outside will help in early detection and treatment of sick cows, increasing their welfare and productivity.

The goals of a *Physical Exam Program* include:

1. Identify sick cows early,
2. Treat sick cows early,
3. Prevent spread of diseases,
4. Protect the food supply, and
5. Improve animal welfare.



[www.downesoneill.com](http://www.downesoneill.com) - [www.dairy.nu](http://www.dairy.nu)

It's Always Darkest Before Dawn  
By Dave Kurzawski

Strong dairy product export sales, a fickle domestic demand situation, a weak U.S. dollar, a brow-beaten milk producer community, a shifting tide, Class III milk and a truckload of pessimism in the marketplace.

There is little question that we as an industry still have our *bear market* blinders on. And why shouldn't we? After all, it's been two years, we have a billion pounds of cheese in storage and it seems that every time we turn around, some other country is putting up a wall or two to our export community. Plus, the U.S. economic forecasts are stable at best.

One of the most pressing issues supporting the bear market argument is that it seems no matter what you pay milk producer, they will find a way to make milk. Producers across the country are just starting to get a leg up on the heap of debt created over the past two years and then feed prices run wild and put them further behind.

Still, over the past six months milk production has fully recovered from the economic turmoil of 2009 and November's numbers will likely be no different. Total milk production has outperformed industry estimates every month since June and the growth is very impressive coming almost entirely from increase productivity per cow.

While this was written prior to the USDA release of the November's Milk Production Numbers, regional differences in milk production growth has done a complete reversal from 2009. During the low milk price cycle last year, Western dairymen were hit the hardest. In the 3rd quarter last year, California production was 5.2% lower, Idaho down 2.6%, Arizona off by 8.3% and Washington 2.3% lower.

But due to a mild summer and inexpensive feed costs, Midwest milk production was strong. In that same quarter, Wisconsin production was 5.1% higher and Minnesota was 4.9% higher. No wonder there is over a billion pounds of cheese in storage. Lately, however, that trend has reversed in a big way.

Over the past few months California and Idaho production are 7.3% and 8.0% higher while Wisconsin and Minnesota production are just 0.5% higher and 1.5% lower, respectively.

Since July, Class III milk prices have gone from \$13.74 to \$16.94 in October, up over \$3.00/cwt! Since the industry knows that the supply side seems whole, most of these price increases have come on the heels of strong domestic and international demand. That demand has cooled lately and we see what happens when supply takes the driver's seat: prices move lower - January futures are now trading \$13.10.

Exports remain brisk, but domestic demand has waned for the past two months and will likely not correct dramatically until after we roll the calendar into 2011. Butterfat is tight globally and while milk production has been strong in the West, we're still not making enough butter to satisfy demand and get the stocks figures in better shape. But demand will ebb and flow and it is ebbing some now.

Corrections will happen, but given tight butter supplies, a firming NFDM and Dry Whey price picture, export demand and uncertainty surround our domestic appetite for cheese going forward, it seems not to matter too much right now that milk production is on the rise. In a world of stocks to use ratios, it appears that usage is outpacing stocks for certain products and it will likely lead to much higher prices in 2011.

## Washington DC Updates

### Raul Labrador New Idaho District I Congressman

Raul Labrador (R) a two term Idaho House of Representatives member defeated Walt Minnick (D) for the Idaho District I U.S. Congressional seat. Raul who resides from Eagle Idaho is also an immigration attorney who was utilized by the Idaho Dairy-men's Association in 2008 in educational programs on immigration issues with our members. Having worked with Raul before, knowing his knowledge and passion to see a successful immigration policy that addresses the industries concerns, we are hopeful that as a Congressman Raul will bring some common sense to the national immigration deadlock that has occurred.

We have enjoyed working with Walt Minnick and we will miss having a member of the Idaho delegation on the House Agricultural Committee. We thank him for his service to Idaho and particularly the dairy industry, we wish him the best in his transition back into the private sector.

### Congressman Mike Simpson Represents Idaho Well

Congressman Mike Simpson (R) has again demonstrated that not only does he take the time to listen and understand constituent concerns, he also takes action. This past week he voted against a very popular tax bill that ended up being decorated like a Christmas tree with added on packages to entice additional support. One of those add-ons was the tax breaks for ethanol production. Congressman Mike Simpson voted against the \$858 billion omnibus tax bill, calling it "a picture perfect example of the misguided spending and legislative procedures overwhelmingly rejected by the American people in November." The bill, H.R. 4853, extended current tax rates and provisions for two years, but it also included a number of other provisions added onto the bill to entice members to support it, including a temporary Social Security tax reduction and tax breaks for ethanol, NASCAR, and television and movie producers.

"As I talk to farmers, ranchers, and businesses throughout Idaho about the economic challenges they face, the common theme I hear is that tax and regulatory uncertainty has forced them to hunker down and wait out the economic storm, rather than investing in their businesses and creating new jobs," said Simpson. "If we truly want to get our budget deficit under control, we need to get our economy going again. Regrettably, instead of providing our nation's job creators with the certainty they need to jumpstart our economy, this bill only creates more uncertainty and piles even more debt on our children and grandchildren through its inclusion of countless extraneous provisions."

The Idaho Dairymen's Association could not support the omnibus tax bill when it contained the additional funding of unrelated programs particularly the ethanol tax credit that has such a devastating impact on the Idaho dairy industry.

### Simpson Opposes EPA Efforts to Regulate Dust

Washington, D.C. - Idaho Congressman Mike Simpson is urging the Environmental Protection Agency to refrain from increasing the regulatory burden on rural and agricultural communities. Simpson recently joined colleagues in expressing concern to EPA Administrator Jackson about efforts to increase regulation of dust, which would have an enormous impact on farms and other resource-based industries in the West.

The EPA recently published its latest proposal for regulating particulate matter under the National Ambient Air Quality Standards, including dust that is kicked up by livestock or results from corn being combined. The new proposed standard would be approximately twice as stringent as the current standard and would result in the designation of many more rural areas as non-attainment areas.

"I am frustrated that folks at the EPA continue to feel as though they need to regulate something simply because they can measure it," said Simpson. "Rural western communities are already struggling to meet the existing air quality standards, and now the EPA wants to implement a standard that is twice as stringent, even though the science supports the current standard. As usual, the EPA has failed to recognize the real-world impacts of their regulations."

Together with many of his western colleagues, Simpson expressed deep concern about the impact of the proposed standards on communities in the arid west, where dust is naturally-occurring event. The letter reads, "Considering the Administration's claim that it is focusing on revitalizing rural America and rural economic development, a proposal such as this would have a significant negative impact on those very goals...We are hopeful that common sense will prevail and the EPA will refrain from causing extreme hardship to farmers, livestock producers, and other resource-based industries throughout rural America."

Simpson is the Ranking Member of the House Appropriations Subcommittee on Interior and the Environment, which oversees funding for the EPA.

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## IMMIGRATION REFORM

The inability of the nation's political leaders to develop a solution to Immigration has consequences, that if not resolved will impact the ability of this country to be self sufficient in food production. This section is dedicated to providing information on immigration reform, or the lack there of. . . . .

### DREAM ACT

The Senate failed to find the 60 votes needed to proceed with the proposed DREAM Act, effectively ending the latest push to provide a pathway for U.S. citizenship for children who came to the U.S. with their parents. Those eligible would either need to join the military or attend college. The vote was 55 to 41 both of the Idaho Senators voted to oppose. The measure passed the House.

#### Lou Dobbs and illegal immigration By Raul Reyes with the USA Today

An investigative piece published recently by *The Nation* revealed that Lou Dobbs, the former CNN host, had at least five illegal immigrants employed on his East Coast properties and in the stables where his daughter boards horses.

"I had been told they were absolutely legal," Dobbs said on *Good Morning America*. Yet he did not deny the assertion that illegal workers were working on his grounds. Nor did he suggest, as he has in the past, that employers who hire illegals should face felony charges.

Meanwhile, California gubernatorial candidate Meg Whitman was found to have employed an undocumented housekeeper for nine years. The former CEO of eBay said she had no idea her maid was undocumented. Like Dobbs, Whitman strongly believes in holding employers accountable for hiring illegal immigrants.

Sure, Dobbs and Whitman sound hypocritical, but their actions reflect reality. Whether we like it or not, the U.S. depends on undocumented workers. **The fact that these immigration hardliners found themselves in embarrassing predicaments illustrates that illegal labor is almost unavoidably intertwined with our economy.**

For many Americans, just being a homeowner or eating in a restaurant means you're likely benefiting from illegal immigration. According to the Pew Hispanic Center, 40% of brick masons, one in four farm workers and 28% of dishwashers are undocumented. Pew estimates that 8.3 million illegal immigrants are in the U.S. labor force, most in low-skilled jobs. Yet, the Migration Policy Institute notes that U.S. policy allows only 150,000 low-skilled workers to be in the country legally. Who is doing all that hiring? We are.

I believe Dobbs when he says he never knowingly hired an undocumented worker. Like millions of Americans, he hired sub-contractors and received assurances everyone was legal. As he pointed out, if he were to insist on reviewing papers from every Latino who worked on his estates, it would amount to racial profiling. Whitman also took reasonable precautions by hiring her housekeeper through a reliable agency.

Dobbs and Whitman should recognize that illegal immigrants are not invaders. They are an underclass that is allowed to exist to serve our low-skilled labor needs. If more of us admitted that we are all part of the problem, maybe we'd solve our immigration mess.

*Raul Reyes is an attorney in New York and a member of USA TODAY's Board of Contributors.*

### ICE agents make arrests at farm

By Stacy Langley (Bad Axe Huron Daily Tribune, MI)

The owners of the Aquila Dairy farm were taken into custody Wednesday on federal charges stemming from allegations that they "defrauded the government" following an ongoing investigation by the U.S. Department of Immigration and Customs Enforcement (ICE).

The Michigan State Police from the Bad Axe Post assisted the ICE agents from Detroit in executing arrest warrants for the farm owners, Johannes M. VerHaar, 49, and his wife, Anthonia M. VerHaar, 47, shortly after 8:15 a.m. Wednesday.

Soper Road near the couple's dairy farm in Colfax Township was closed to traffic for just more than an hour Wednesday during the search of the property and the couple's arrest that followed.

"Employees of the farm were questioned and information (from those employees) was gathered by ICE agents. No other arrests were made," said Michigan State Police Det./Sgt. Mark Krebs, who assisted ICE agents at the farm Wednesday morning.

ICE agents used the local Michigan State Police post as their staging area prior to the raid of the farm. With roughly nine vehicles, along with air support, the agents came prepared to search for illegal immigrants at the farm.

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*(ICE Agents Continued from page 9)*

"They (ICE agents) had a chopper (helicopter) up in the air and ICE agents in the field to make sure things went smooth," Krebs said following the search of the farm.

The VerHaars were taken into custody, and transported from the dairy farm to U.S. District Court in Bay City, where they were arraigned on charges that they "encouraged and induced an alien to reside in the United States in violation of the law," allegedly "concealed, harbor or shield(ed) from detection such alien," and allegedly "aided and abetted in the commission of such acts."

The federal indictment, which was unsealed Wednesday following the couple's arraignment, states from the year 2000 to about October 2007, the precise times unknown, Johannes M. VerHaar, Anthonia M. VerHaar, Aquila Farms LLC. and others both known and unknown to the grand jury knowingly and unlawfully conspired to commit an offense or offenses against the U.S.

Federal prosecutor's explained in court documents that Johannes VerHaar, Anthonia VerHaar and Aquila Farms LLC failed to fully and accurately complete I-9 forms for new hires of the dairy farm, and that various illegal immigrants entered the U.S. in violation of the law and were hired by the VerHaars at the dairy farm. The couple allegedly encouraged illegal immigrants to reside in the U.S. by providing employment and free housing on the farm. That housing was allegedly located away from the surrounding populace. 10-07-10

[http://www.michiganstumb.com/articles/2010/10/07/news/local\\_news/doc4cadb2bb36936067095349.txt](http://www.michiganstumb.com/articles/2010/10/07/news/local_news/doc4cadb2bb36936067095349.txt)

### **AgJOBS could plant the seed**

Editorial from the latimes.com, October 11, 2010

The legislation would create a pilot program to give some legal and undocumented farmworkers the opportunity to obtain a temporary work permit and the possibility of permanent legal residency.

A particularly bizarre moment in the immigration debate came and went almost unnoticed. At the same House subcommittee hearing at which Stephen Colbert testified, Rep. Steve King (R-Iowa), who opposes legalization for the undocumented workers who plant, pick, harvest and package a substantial portion of the nation's crops and produce, offered this alternative: Americans could simply wean themselves from fruits and vegetables. Salad, broccoli, spinach, tomatoes, etc., cannot be all that important to human health, King suggested, huffing "I'm wondering how the Eskimos got along all those centuries without fruits and vegetables!"

A diet of whale blubber is certainly a novel idea, but it seems unlikely to be embraced. The reality is that Americans need to eat produce, and for that to happen, farmers need a reliable supply of skilled workers — and laborers need consistent employment and to be protected from exploitation. That's what passing AgJOBS legislation would accomplish. The Agricultural Job Opportunities, Benefits and Security Act, sponsored by Sen. Dianne Feinstein (D-Calif.) and Rep. Howard L. Berman (D-Valley Village) would create a pilot program to give certain immigrant farmworkers (some here legally, others not) the opportunity to obtain a "blue card" — a temporary work permit — and, later, the possibility of permanent legal residency. It would also provide blue cards to spouses and minor children of such farmworkers and modify the current H-2A guest-worker visa program. It is not a cure for all that ails agriculture or national immigration policy, but it is a decent compromise.

The major argument against AgJOBS is not that fruits and vegetables are unnecessary to a healthy diet, but that those jobs ought to be held by Americans rather than illegal immigrants, and that Americans would do farm work if it paid more — say, the national average of \$17 an hour.

But low wages are only part of what makes farm work unattractive to many Americans. It is not only grueling but seasonal. Certain crops require constant migration. For example, lettuce grows in Yuma from November to March. Then lettuce harvesters migrate to Huron, south of Fresno, for the month of April. Then it's on to Salinas from May through mid-October, and back to Huron through mid-November. On a good day, lettuce crews make up to \$14 an hour, but that's only if consumers don't suddenly prefer soup to salad. If they do, wages fall. This is not the life many Americans aspire to.

Furthermore, simply raising wages (and therefore prices) on domestic produce might have worked 40 years ago as a way to encourage Americans to take those jobs. But it would be a risky gamble today. Consumers now have choices from around the world at their fingertips and cannot be compelled to purchase locally grown food. Supermarkets carry grapes and avocados from Mexico, cherries from Chile and broccoli from Mexico, Guatemala and Ecuador. The United States is already a net importer of fruits and vegetable, with nearly half of all fresh fruit and two-fifths of canned fruit consumed in the U.S. coming from imports, according to the Department of Agriculture. Nor do farms have to stay north of the border. **Whether the future of U.S. agriculture is to vigorously outsource farming is a debate that has yet to happen, but the trickle has started. At least 84,155 acres of production and 22,285 jobs that once were in the U.S. have moved to Mexico, according to Feinstein.**

Another serious sticking point for opponents of AgJOBS — even

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*(AgJobs Continued from page 10)*

those who favor a guest-worker program — is that the bill opens the door to permanent residency, and even a pathway to citizenship, for the illegal immigrants currently working in our fields. But we believe this component is important if the United States is to avoid having a permanent underclass, a shadow economy of undocumented workers whose fate and status are tied to the land and who can never advance.

Unfortunately, it is not likely that AgJOBS will be passed in the near future. King's Eskimo diet musings, while laughable, are probably an accurate indicator of just how far congressional Republicans are willing to contort logic to thwart sensible immigration reform. Bring on the whale blubber.

Who is Representative King? See article below.

### King Outlines Immigration Plans for 2011

By Julia Preston of The New York Times, December 13, 2010

Representative King is the Republican who is expected to lead the main subcommittee on immigration in the House of Representatives in the new congress next year said on Monday that he will push for a bill that would cancel employers' tax deductions for wages of workers who are illegal immigrants.

In an interview, Representative Steve King of Iowa, the senior Republican on the Judiciary subcommittee on immigration in the current congress, said his priority as chairman would be to pass a bill he introduced last year that would also require the Internal Revenue Service to share information with the Department of Homeland Security and the Social Security Administration about the immigration status of workers.

Mr. King said his measure would increase pressure on employers to fire unauthorized immigrant workers by increasing their cost. He estimated that if employers were not able to claim tax deductions for those workers' wages and benefits, an unauthorized immigrant making \$10 an hour would cost the employer the equivalent of \$16 an hour.

Mr. King said his measure would be a "velvet glove" that would leave it up to employers to fire unauthorized workers. "That opens up lots of jobs for Americans," he said.

The proposal would break down a major privacy firewall that protects tax information from scrutiny by Homeland Security authorities. Millions of authorized immigrants in the workforce have payroll taxes deducted and file tax returns using a taxpayer number issued by the I.R.S., which is not routinely shared with immigration agencies.

Mr. King's strategy would be a sharp departure from the outgo-

ing Democratic-controlled House, which last week passed a bill known as the Dream Act. Mr. King was a leading opponent of that bill, which would open a path to legal status for hundreds of thousands of illegal immigrant students if they attend college or serve in the military.

### USDA Dairy Industry Advisory Committee

*Jim Krahn, the Executive Director of the Oregon Dairy Farmers Association serves on the USDA Dairy Advisory Committee. The purpose of the committee is to identify needed changes to the current Federal dairy policy. The report below is from Jim.*

We met last week in Washington DC for the week. This meeting was to begin finalizing the committee's stance on the issues. I will give you a run down in general of the key decisions. It is important to remember that we will be meeting the week of January 10, 2011 and things could change, this will be the meeting where we will finalize the report.

1. Maintain and expand programs for export market development.
2. Develop a system that provides an accurate assessment of profitability in the dairy industry
3. Simplify and improve risk management programs for dairy farmers.
4. Establish risk management lines of credit.
5. Adopt stricter somatic cell count standard. (400,000)
6. Adopt tax differed farm savings account.
7. Provide environmental payments for environmental practices.
8. Phase out ethanol subsidies.
9. Adopt California solid standards nationwide.
10. Review federal milk marketing orders.
11. Eliminate end product pricing.
12. Explore elimination of the dairy product price support program and the dairy export incentive program and use budget savings to enhance the safety net for dairy producers.
13. Adopt a growth management program.
14. Modify milk income loss contract program and provide a revenue insurance program.

Some of these passed with a very clear mandate and others were a very close vote. It is very important to remember that there is no silver bullet to improve milk prices. It will take many changes, a lot of luck and prayer would not hurt either. **It is likely that there will be some additions and could be some changes, so be clear this is not done as of yet, we are getting close. In addition these things must work as a package.**

*IDA Staff Note: Most of the proposals developed by the committee would take congressional action to be put into place.*



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**Upcoming Meetings**

- January 10 First day of Idaho Legislative Session
- January 11 IDA Presentation to Idaho Farm Service Agency
- January 12 IDA Presentation to Jerome Chamber of Commerce
- January 13 Food Producers Ag All-Star Legislative Banquet
- January 13 Industry Relations Committee - Boise
- February 14-15 Idaho Ag Summit
- February 16-17 UDI Board Meeting - Boise



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