Jeanie Wolverton is a dairy producer from Wendell Idaho who served on the Board of the Idaho Dairymen’s Association and did not seek re-election. She submitted the following piece for publication in the Idaho Dairy Focus. Although written in November this is the first Focus to be published since receiving the article.

November is one of my favorite times of the year. With fall in full swing, and Thanksgiving celebrations with loved ones to be shared, I feel an overwhelming sense of thankfulness and gratitude.

Bob and Rick Naerebout, Karianne Fallow, and the staff at the United Dairymen of Idaho, along with the Board of the IDA, and IDPC work very hard to ensure our industry continues to be strong. They are dedicated to protect, promote and continually aid in the furthering growth, and sustainability for our industry.

As most of you know, I had the honor and privilege to serve on the IDA board for the last year. I was able to receive the first-hand experience of what the IDA and IDPC’s roles are in the UDI. I also saw with my own eyes how hard Bob, Rick, Karianne, and the staff at the UDI work on our behalf. They not only put their heart and souls into their work, they are truly passionate for our industry. They continuously educate themselves in the issues that are facing our state and nation and make sure our dairy farms are protected, and our product is promoted, both domestically and globally.

With Thanks
By Jeanie Wolverton

(Continued on page 4)
Federal Dairy Issues Update

By Charlie Garrrison

The First Session of the 113th Congress is winding to a close ahead of the holidays and hopes are high for a new farm bill soon after their return in January. Those of us in agriculture also hold out hope for action on immigration reform sometime during the first half of next year. What did get done in the late days of the session was a modest bipartisan budget agreement on funding the federal government for the next two years. It’s the bipartisanship that led to the budget agreement that has raised expectations for a New Year’s resolution of both the farm bill and immigration reform in 2014.

Without a doubt, immigration reform has become the most important federal issue for Idaho dairy farmers. Access to a legal, stable year-round workforce is essential to dairy farmers everywhere. And since studies show that each farm job sustains 3-4 jobs upstream and downstream from the farm, availability of farm labor should be a top bipartisan priority for politicians seeking to revitalize the U.S. economy.

The U.S. Senate passed a comprehensive immigration reform bill more than six months ago. The bill includes provisions that work for dairy producers like legalization of the current workforce without a touchback provision, an accelerated path to legal permanent resident status as an incentive to remain working in agriculture for at least another five years, access to year-round workers, and an effective program for obtaining legal new workers. That bill isn’t perfect, it was the result of a negotiation after all, but it checks the boxes dairy farmers need on reform.

The U.S. House of Representatives, on the other hand, has preferred to take a piecemeal approach. The Judiciary Committee, with jurisdiction on the issue, has passed a handful of bills, including one dealing with agriculture. One thing everybody with year-round labor needs agrees on is that the committee bill needs to be improved before it moves to the floor for a vote. The Agriculture Workforce Coalition, of which IDA is a member, continues working with House staff to get a bill that is effective for dairy farmers and addresses your need for legal, stable, year-round labor with a high priority on being able to retain your current workforce. The political stars will need to properly align for immigration reform to happen in 2014. IDA is working on this issue with the assumption that the best thing we in agriculture can do is be prepared with effective proposals that unify us if House leadership decides to take up the issue.

On the farm bill, the House and Senate Conference Committee negotiators continue working to iron out the differences between the two bills passed by the respective bodies. All indications are that most issues have been resolved, the projected budget impact is close to expectations and that a new farm bill by the end of January is in sight. While the dairy farm economy looks as good as it has in a few years, we all know that can change. IDA has been a leader in convincing the Congress that a completely irrelevant support price program at $9.90/cwt and the discriminatory MILC program must both be replaced. It seems certain that margin insurance will be included in the farm bill conference report. The question is whether the stabilization program makes it through the conference. Dairy farmers shouldn’t have to wait too much longer to find out.

IDA is also working on several other issues affecting dairy farmers. The potential for broad tax reform next year has drawn some scrutiny in the Congress of provisions like the exemption from revenue thresholds that currently allow most farm corporations to use cash accounting as a business planning tool. Your association is working with several other agriculture groups in Washington, D.C. to keep that provision of the tax code available to Idaho dairy farmers, regardless of how the families who own them have structured their business.

Dairy farmers will also find international trade on the agenda for 2014. The U.S. dairy industry has already exceeded last year’s record total for dairy exports in just the first 10 months of this year. While the Obama administration made a push to complete a huge trade agreement with several Pacific-rim countries known as the Trans Pacific Partnership (TPP), finishing that pact has slid into 2014. With New Zealand, Canada and Japan all at the table, the implications for U.S. dairy farmers could hardly be bigger.

Talks have also started on a free trade agreement with the European Union. In addition, the Congress will be called on to ratify any completed agreements and that will take authorization of Trade Promotion Authority (TPA), formerly known as “Fast Track.” IDA will continue to educate members of the state’s congressional delegation on how trade agreements will affect Idaho dairy farmers.

On the environmental front, the increase in federal government regulations is a primary concern. IDA is engaged in
Keeping Up with Congressman Simpson

Congressman Mike Simpson from Idaho’s second District is a stalwart supporter of Idaho Agriculture. Below is a small portion of how diligently he is working on Idaho’s behalf.

Simpson’s Statement on EPA’s New Rule on Non-Navigable Waters: Idaho Congressman Mike Simpson, a member of the Appropriations Subcommittee on Interior and Environment, issued the following statement on the Environmental Protection Agency’s (EPA) proposed rule which would establish federal regulatory jurisdiction over non-navigable streams, wetlands and other water resources. Currently, non-navigable waters are regulated by the states.

“Like many people who have watched this issue carefully, I’m very concerned about this proposed rule. Most farmers and ranchers I talk to are scared to death about the possibility that the Environmental Protection Agency would be able to regulate their irrigation ditches, drainage ponds, and even groundwater, and I understand why,” said Simpson. “In the West, water is critical to our way of life. Allowing the federal government to claim jurisdiction over state waters would have a devastating impact on rural communities throughout our state and the food supply throughout our nation. For that reason and others, I have included language in the FY14 House Interior Appropriations bill that will prevent any attempt by the EPA to claim additional jurisdiction over state waters and increase its already excessive authority over Western farmers, families, and businesses.”

Idaho Congressman Mike Simpson has been appointed as Chairman of the House Appropriations Subcommittee on Energy and Water Development. The subcommittee funds all functions of the U.S. Department of Energy, including the Idaho National Laboratory’s research and cleanup operations.

The Subcommittee’s primary jurisdiction includes the following federal agencies:
- Department of Energy, including Idaho National Laboratory and Bonneville Power Administration
- National Nuclear Security Administration
- U.S. Army Corps of Engineers
- Bureau of Reclamation
- Nuclear Regulatory Commission
- Defense Nuclear Facilities Safety Board
- Nuclear Waste Technical Review Board

“Given the importance of this subcommittee to Idaho and its daily impact on my constituents, I am honored and pleased to have the opportunity to be its new Chairman,” said Simpson. “The Idaho delegation has a strong history of involvement in federal issues related to energy development and water infrastructure, and in particular nuclear energy. This new assignment gives me the opportunity to expand our involvement in these issues and make sure the concerns of our state and region are heard and addressed.”

“Whether it’s the cleanup of sites like INL, the maintenance of our nation’s nuclear weapons, or the many vital water projects across the Western United States, the Energy and Water Subcommittee’s work touches almost every community in Idaho and across the country,” said Simpson.

Simpson will remain a member of the subcommittee of Interior and the Environment as well as the subcommittee of Health and Human Services, Labor, and Education.

(Federal Dairy Issues - Continues from page 2)

opposition to the EPA’s proposal to vastly expand its jurisdiction over regulation of the nation’s waterways. IDA has also reached out to other dairy organizations nationwide over environmental challenges facing producers in neighboring states. These challenges will set precedent for regulation and litigation regarding on-farm nutrient management practices and it is critical to the entire U.S. dairy industry that these issues are resolved both properly and sooner rather than later.

IDA also continues working on your behalf to reduce the impact federal government mandates for the use of corn ethanol have on your business. The EPA’s proposed decision to roll back the increase in the amount of ethanol required to be blended into gasoline in 2014 is a good first step but more action is needed. Legislation has been introduced in the U.S. Senate to eliminate the federal mandate for corn ethanol. Senator Risch is an original cosponsor and IDA has reached out to Senator Crapo for his support as well. Your association is also working with Representatives Simpson and Labrador on efforts to focus support in the House to reduce or eliminate the corn ethanol mandate.
IDA Encourages Membership to Participate in Upcoming NASS Survey

Some Idaho dairies may be contacted in January to participate in the National Animal Health Monitoring System (NAHMS) Dairy 2014 study, the sixth USDA Veterinary Services study of dairy operations. The study tracks industry trends since 1991 and looks at current cattle health and management issues. National Agricultural Statistics Services (NASS) representatives will conduct interviews with 161 randomly selected Idaho producers. Sixteen other large dairy states are included in the study.

Participants agreeing to continue will be visited by USDA Veterinary Services (VS) representatives between March and May for another questionnaire which focuses more on health issues. Milk and fecal sampling will be offered. In addition, producers will be able to participate an in-depth calf component which focuses on health and growth of heifer calves from birth to weaning and includes bovine viral diarrhea ear notch testing.

To develop the study focus, NAHMS asked dairy producers, industry stakeholders, academics, and government officials to provide input and define the information needs of the dairy industry. The six objectives identified are: 1) to describe trends in dairy cattle health and management practices; 2) to describe management practices and production measures related to animal welfare; 3) to estimate the prevalence of lameness and evaluate management factors associated with lameness; 4) to evaluate calf health from birth to weaning, 5) to describe antibiotic use and residue prevention methods used to ensure milk and meat quality, 6) and to estimate the prevalence and antimicrobial resistance patterns of select foodborne pathogens.

Participation is voluntary and all information and results will be kept confidential. Reports and biological test results will be returned to the participants. For any questions, contact Bill Sigrist, Idaho NASS, at 208-334-1507; Dr. Mary Kay Tinker, Idaho VS, at 208-373-1620; or Dr. Lori McCoy-Harrison, Idaho VS, at 208-670-9100. We hope you will participate; this study should provide national, statistically valid, and science based information important to the dairy industry.

(With Thanks—Continued from page 1)

Idaho, along with other states in our region, is experiencing tremendous pressure from regulatory agencies and other environmental groups. For example, this spring a group of dairy farms in our valley were chosen for EPA inspections. My family dairy was one of them.

When I arrived at work that spring day, I was met by a group of EPA agents. They presented their badges to me outside my office, and said they were going to do an inspection. I told them I needed a moment to talk to my partners, and that I would like them to wait outside. I immediately phoned Bob Naerebout. I did not know my rights as a producer faced with these EPA agents. Bob instructed me with my rights and counseled me in the best way to deal with the situation that presented itself. Rick Naerebout, immediately drove out to our farm and supported my partner Jeremy Craig, our General Manager of operations, Jason Anderson and myself with the entire inspection. Rick supported many other dairy producers who were chosen for the inspections that week as well.

With the complete support of Bob and Rick, the inspection went well. I am so thankful for these dedicated men, who are knowledgeable in every aspect of our industry’s rights, rules, and regulations.

As most of you know, the EPA is coming against several family dairy farms in Yakima Washington. The issues that these fellow dairy producers are facing are too close to home. I am honored that the IDA is helping to support these men and women whose livelihoods are being jeopardized. I hope that other Dairy Coops, Processors, and individuals, both locally and around the nation will also aid in helping these dairy farmers.

I am very grateful for the men and women who work so hard in our industry. Thank you Bob, Rick, Karianne and the staff at the UDI, and the board members who dedicate their time, and use wisdom and discernment in making decisions on our behalf. I am so honored to have all of you working to protect and promote our Idaho dairy families!
Western superstition has made 13 an unlucky number. From Judas being 13th on the guest list for the Last Supper to the problems of the Apollo 13 space mission, dealing with 13 of anything has long been recognized as an omen steeped in misfortune. Just do a Google search if you want to see how many people consider this past year – 2013 – to be an ‘unlucky’ one. From my perspective, however, it’s been a great year - especially for dairy producers.

Now any given year will come with its own set of challenges for the nation’s dairy producers – that is just a fact of this business. And this year had some special ones in store for Idaho producers. Continued poor profit margins for many earlier in the year, exceedingly hot weather in August and September, a lack of immigration reform, forest fires, and, overall, weak milk production as we would like to see out of such an important dairy state all contributed to a gut-pummelling sense of uncertainty in 2013.

But as the year ends, it is time to focus some attention on the positives. It’s the ‘good things’ going on in the dairy industry that can quell even the most primal natural urge to look at the downside of the business. Here are a few of the good things I see:

The leader of the “pro” column is the strong export demand the U.S. dairy industry has enjoyed in 2013. Demand for quality dairy products from the Middle East and China continue to impress the U.S. dairy industry. According to the U.S. Dairy Export Council, “the value of U.S. dairy exports already topped the full-year total for 2012 and established a new high. January-October exports were valued at $5.54 billion, compared with $5.12 billion in all of 2012. At the current pace, U.S. exports will top $6.6 billion this year, up close to 30% from the 2012 total.”

Export business doesn’t happen on a whim. Once a need is recognized, the conscious effort of both producers and processors is needed to create quality, reliability, and value, which leads to an excellent reputation for U.S. dairy products. It is this export business that has largely responsible for increased dairy farm profitability in the second half of 2013.

Next “in the pro” column is to remember the benefits that come along with more reasonable feed prices. Short crops are said to have long tails because: “Men think in herds; it will be seen that they go mad in herds, while they only recover their senses slowly, and one by one.” While bean meal prices and related feeds remain high and forage prices look to remain high heading into 2014, corn prices have dropped more than $3/bu. in 2013 taking a chunk out of the cost profile. Corn prices have taken a long time to drop to more palatable levels, but corn prices will likely stay low well into 2014.

Good dairy demand, a stable milk supply, and cheaper feed together signal producers, including those in Idaho, to make more milk. And more milk means lower prices, right? At some point – the answer would be yes. But the final stop on my admittedly short list of “pros” to dairying in 2013 is that the chasm between global opportunity and on-farm economics is coming to a head. To help illustrate my point, I’d like to reiterate something I wrote for this publication 18 months ago – in the July 2012 issue:

When we merge a dwindling milk supply with a growing hunger for dairy products globally, the risk for dairy prices is not down – but up. And while we’ve seen a significant increase in prices already due to weather, the stage is fundamentally set for even higher prices almost regardless of what happens to corn prices as we roll into 2013. But don’t let that stop you from bringing profit home by hedging.

Those leaning on cheaper feed prices to automatically equate to more milk production must not lean too hard. The past year seems to follow 2012 in that producer and lending communities remain largely concerned with repair and stabilization than growth. There continues to be little in the way of widespread capital investment in new dairy farm construction or expansion. Moreover, inexpensive heifers have kept heifer programs off the books of most dairies pitting dairy producers, particularly in the West, against the beef ranchers bidding for new animals. How is that going to work at $2,000 a head?

Dairies in Idaho and nationwide are getting signals to make more milk – they’re just ignoring them as 2013 winds down. That could change in the first half of 2014, but for now it looks like just another reason to be thankful for the good things that came out of dairy in 2013.
Upcoming Events

January 6th     2014 Idaho Legislative Session Convenes
January 14th    IRC/IDEAL Committee Meeting
January 21-23rd Idaho Water Users Association Annual Meeting
January 26-29th IDFA Annual Meeting

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