

*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.*

May2015

### **From the Boardroom**

*By Tony VanderHulst*

We are well into 2015 and a lot of work has occurred on your behalf by your IDA Board and staff. I will try to take a few paragraphs to outline for you the ongoing efforts that we are currently engaged with in our attempts to move the Idaho dairy industry forward.

The IDA Board held a special meeting of the Membership on April 14<sup>th</sup> for the Members to consider the proposed IDA Bylaw changes. I was pleased with the attendance with over 100 Idaho dairy operations represented.

Dan Steenson, attorney for IDA, explained the need for the proposed Bylaws changes, walked the members through the Bylaws, and addressed questions. The members present unanimously approved the Bylaws by a voice vote.

Following the Bylaw discussion Karianne Fallow, CEO of the Idaho Dairy Products Commission (IDPC) and Cindy Miller, Senior Director of Producer Relations & Consumer Confidence provided the Membership an update on the recently released FDA study on antibiotic residues in milk, and other great work being accomplished by the IDPC and the United Dairymen of Idaho.

The final presentation of the meeting was an overview of the Yakima lawsuit and its implications for all of agriculture, provided by IDA staff. Please see the article on Yakima found on page 7 that briefly covers the settlement the dairies have entered with the plaintiffs. We are planning to have District meetings in the near future to provide the Membership with additional information on the potential implications of the Yakima citizen suits on your individual operations.

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### **Dairy Success is Good for Idaho**

*By Congressman Simpson*

If you live in Idaho then you already know that our dairy industry is thriving. According to the USDA, Idaho surpassed New York to become the third highest milk producing state in 2014. It is no wonder that food producers from across the country want to create jobs and promote economic growth right here in Idaho.

However, barriers still exist that impede the incredible potential that exists for Idaho agriculture. Here are some

common sense solutions that I have been working on as your representative in Congress.

#### **Protecting State Waters**

On May 1<sup>st</sup>, the House of Representatives passed the Energy & Water Appropriations bill that I authored as chairman. I included a provision that prohibits funding for the

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## Federal Dairy Issues Update

By Charlie Garrison

### 'WOTUS' Bill Passes the House

The U.S. House of Representatives passed a bill this week requiring the EPA and the Army Corps of Engineers to withdraw their "Waters of the U.S." proposed rule and begin the process again with consultations with key stakeholders like agriculture. HR 1732, "The Regulatory Integrity Protection Act," passed 261-155. Both Representatives Simpson and Labrador voted "aye."

A similar bill is pending in the U.S. Senate. S 1140, "The Federal Water Quality Protection Act," has been referred to the Environment and Public Works Committee but has not yet been scheduled for a hearing or a vote. That bill has 25 cosponsors, including Senators Crapo and Risch. The White House is actively opposing this bill so it will be difficult to get 60 votes to let it proceed to the floor of the Senate. IDA is part of a national coalition of agriculture industry organizations working to gather enough support within the Congress to have the administration pull back this regulatory overreach.

### Mandatory E-Verify Bill Threatens Farm Labor Force

IDA is also working to make sure the federal government doesn't make it even harder for our members to find the labor you need on your dairies. The U.S. Congress is considering a handful of border security and interior enforcement measures aimed at cracking down on illegal immigration. One of those interior enforcement measures would require employers to use the E-Verify system to check the work eligibility of job applicants.

The House Judiciary Committee has passed Mandatory E-Verify. IDA staff has let both Congressman Mike Simpson and Congressman Raul Labrador know that agricultural operations, including Idaho's dairies, simply will not have an adequate labor supply if Mandatory E-Verify becomes law. Last week, IDA staff traveled to Washington, D.C. and delivered a letter from Food Producers of Idaho, Inc., which represents dozens of Idaho commodities and associations. The letter asks Senators Crapo and Risch to oppose Mandatory E-Verify unless it is accompanied by an effective agricultural worker visa reform program including earned legalization for our current workforce.

### Cautious Optimism on Pacific Dairy Trade

The Congress is also grappling with legislation to move forward on legislation for considering a free trade agreement (FTA) that the Obama administration is currently negotiating with 11 other Pacific Rim nations known as the Trans Pacific Partnership (TPP). A critical step for the agreement to be completed is for the Congress to grant the White House Trade Promotion Authority (TPA) under which the House and Senate would consider a final agreement but could not make any amendments and there could not be a filibuster in the Senate.

The Pacific Rim nations offer exciting new export opportunities for the U.S. dairy industry, especially for those of us in the west. With a final Trans Pacific Partnership (TPP) agreement virtually certain to include New Zealand, the world's largest dairy exporter, IDA is encouraging our delegation to support TPA but to monitor the TPP itself to ensure the final deal is a balanced one for Idaho dairy producers.

*(From the Boardroom - Continued from page 1)*

I want to point out to you the article from Congress Mike Simpson found on the front page. There is not a stronger supporter in Washington DC for Idaho agriculture, especially dairy, than Mike. He has earned our strong support and will continue to receive our support and recognition for his work on our behalf.

Our staff, along with Charlie Garrison, continually bring our needs for labor, our concerns over EPA overreach,

and the new reality of the court system being utilized by the environmental groups to over-regulate agriculture.

We have a lot of work in front of us. As President of your IDA Board of Directors I want to assure you that we are continually assessing the direction of IDA to be sure we are addressing the needs of the Idaho dairy industry. At our May Board meeting we will be reviewing our budgets and staffing to determine if we are meeting the immediate needs Idaho's dairy farm families are facing.

## IGWA's Continued Work on Behalf of Groundwater Pumpers

*By Randy & TJ Budge*

Over the past year, Idaho Ground Water Appropriators, Inc. (IGWA) has made major strides in its ongoing effort to find permanent solutions to curtailment threats that have plagued groundwater pumpers for more than a decade. Significant advances have been made toward resolving the Rangen delivery call, threatened calls from several other spring users in the Hagerman area, and the Surface Water Coalition call.

The Idaho Department of Water Resources (IDWR) issued a curtailment order in January of 2014 that threatened to shut off water rights to 157,000 acres of farmland and dozens of dairies, cities, and other businesses in Magic Valley in response to the Rangen delivery call. IGWA's aquifer enhancement activities (groundwater recharge, etc.) were sufficient to avoid curtailment in 2014, but they are not able to meet escalating mitigation requirements in future years.

In February IGWA completed a project to pump water from the Magic Springs fish hatchery south of Hagerman to the Rangen fish hatchery roughly two miles to the north. The Magic Springs project was constructed on an expedited schedule and has been delivering mitigation water to Rangen ever since. While Rangen continues to challenge this project in court, IGWA expects it to remain in place and be able to satisfy all mitigation obligations to Rangen on a permanent basis.

IGWA also resolved four new delivery calls made by other spring users in the Hagerman area, and is engaged in a cooperative effort to solve all remaining curtailment risks from senior surface right holders in the Hagerman area. Several meetings between stakeholders have been held over the last six months to identify and develop a permanent plan to shore up spring flows and protect groundwater pumpers from curtailment. Key components of the solution involve groundwater recharge of the Eastern Snake Plain Aquifer (ESPA), IGWA's Magic Springs pipe project, and other projects to more effectively use available spring flows. The so-called "Hagerman Global Settlement" is a work in progress, but negotiations have been fruitful and IGWA is optimistic it can be finalized by year-end.

Finally, IGWA and the Surface Water Coalition (made up of the seven major canal companies in the Magic Valley) are on the cusp of finalizing a monumental agreement that will solve the Coalition's delivery call and ensure sustainable groundwater supplies into the future. In exchange for limiting groundwater consumption and providing 50,000 acre-feet of mitigation water to the Coalition annually, pumpers will be protected from curtailment. This will no doubt come at a cost, requiring pumpers to utilize water more efficiently, yet will provide the certainty needed for pumpers to maintain long-term viability and avoid the dire circumstances currently playing out in California and elsewhere in the West.

Groundwater pumpers have faced numerous delivery calls over the past decade from Clear Springs Foods, Blue Lakes Trout, A&B Irrigation District, the Surface Water Coalition, Rangen, and others. Many of these have been hotly contested and have required litigation to determine the parties' respective rights and responsibilities. In those cases where mitigation has been ordered, IGWA has developed and implemented mitigation plans to avoid curtailment. IGWA's success is best evidenced by the fact that no groundwater right has been curtailed to date.

IGWA has long held to the belief that pumpers are best able to protect and achieve their interests by working together. There is work to be done to be sure, but with the continued support of the community of pumpers we can implement solutions that provide the certainty needed to sustain southern Idaho's agricultural economy on a long-term basis.

IGWA is very appreciative of the support it has received and continues to receive from IDA and its members. Special thanks also goes out to Scott Bedke, Speaker of the Idaho House of Representatives, who has shown tremendous leadership and support of the solutions outlined above.

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## Vesicular Stomatitis Awareness

*By Dr. Bill Barton, Idaho State Veterinarian*

The Idaho State Department of Agriculture (ISDA) State Veterinarian's office was notified on Friday, May 1, 2015 that vesicular stomatitis has been confirmed in New Mexico, Arizona and Utah. This is unusually early in the spring to have confirmed cases of the disease. As a result, it is important to remind livestock producers to be aware of the disease, its clinical signs and prevention strategies.

Vesicular stomatitis is a viral disease that primarily affects horses and cattle and occasionally swine, sheep, goats, llamas, and alpacas. Humans can also become infected with the disease when handling affected animals, but this is a rare event. In the past decade, the Southwestern and Western United States have experienced a number of vesicular stomatitis outbreaks. Outbreaks usually occur during the warmer months, often along waterways. In some years, only a few premises in a single State have been affected. However, in other years, multiple States and many premises have been involved. In 1982, Idaho had over 160 premises under quarantine due to vesicular stomatitis. The resulting prohibition of livestock movement during the quarantine period had significant negative economic impacts to producers.

While vesicular stomatitis does not generally cause animals to die, it can still cause economic losses to livestock producers. The disease is particularly significant because its outward signs are similar to (although generally less severe than) those of foot-and-mouth disease, a foreign animal disease of cloven-hoofed animals that was eradicated from the United States in 1929. The clinical signs of vesicular stomatitis are also similar to those of swine vesicular disease, another foreign animal disease. The only way to tell these diseases apart is through laboratory tests. Vesicular stomatitis is recognized internationally as a reportable disease. This means that there are serious economic and regulatory repercussions associated with the diagnosis. When the disease is detected in the United States, some countries may take action to block international trade of U.S. animals and animal products. Interstate movement of animals is also impacted. Premises containing affected animals are quarantined for up to 21 days after the lesions in the last affected animals have healed. As a result, quarantine periods can be lengthy.

In affected livestock, the incubation period for vesicular stomatitis ranges from 2 to 8 days. Often, excessive sali-

vation is the first sign of the disease. Close examination of the mouth initially reveals blanched and raised vesicles or blister-like lesions on the inner surfaces of the lips, gums, tongue, and/or dental pad. In addition, these blister-like lesions can form on the lips, nostrils, coronary band, prepuce, vulva, and teats. The blisters swell and break, which causes oral pain and discomfort and reluctance to eat or drink. Lameness and severe weight loss may follow. Body temperature may rise immediately before or at the same time lesions first appear. Dairy cattle often suffer from teat lesions and subsequent mastitis; a severe drop in milk production commonly occurs. Some affected dairy cattle can appear to be normal with no clearly visible signs of illness but may only eat about half of their normal feed intake. If there are no complications such as secondary infection, affected animals typically recover in about 2 weeks.


How vesicular stomatitis spreads is not fully known; insect vectors, particularly black flies, are known to play a significant role in transmission of the disease. Mechanical transmission and movement of animals are also factors. Once the disease is introduced into a herd, it may move from animal to animal by contact or exposure to saliva or fluid from ruptured vesicles. Humans rarely contract vesicular stomatitis, but they can become infected.

There is no specific treatment or cure for vesicular stomatitis. Implementing and maintaining adequate biosecurity measures is critical to prevent infection. This should include the use of on-farm insect control programs that include the elimination or reduction of insect breeding areas and the use of insecticide sprays or insecticide-treated ear tags on animals.

Good sanitation and quarantine practices on affected farms usually contain the infection. When a definite diagnosis is made on a farm, the following procedures are recommended:

- Separate animals with lesions from healthy animals, preferably by stabling. Animals on pastures tend to be affected more frequently with this disease.
- As a precautionary measure, do not move animals from premises affected by vesicular stomatitis until at least 21 days after lesions in the last

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The attorneys and staff of Sawtooth Law Offices would like to thank the Idaho Dairymen’s Association and its members for the opportunity to provide the IDA with legal counsel since 2011. As an expression of our appreciation and support, Sawtooth Law is now an Executive Associate Member of IDA.

Our firm is committed to serving IDA and its members. We strive to understand all aspects of dairy operations, and to continually enhance our legal services to meet your needs. We know that dairy producers are family-oriented businessmen and women, who care deeply about their animals, their products, their land and natural resources, and their communities. We share your values, and are proud to assist you and advocate for your interests..

Sawtooth Law has a general practice capable of handling nearly any legal or policy problem. We particularly focus in the following areas:

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| <ul style="list-style-type: none"> <li>• Agricultural Law</li> <li>• Dairy Law</li> <li>• Immigration Compliance (H-2A Visa, Form I-9, I-9 Audits)</li> <li>• Governmental Affairs and Legislation</li> <li>• Business Formation/Transactions</li> <li>• Real Estate Transactions/Financing</li> <li>• Debt Restructuring/Financing</li> </ul> | <ul style="list-style-type: none"> <li>• Water Law</li> <li>• Environmental Law and Compliance</li> <li>• Natural Resources, Minerals, Oil, Gas, and Public Lands (Grazing Permits)</li> <li>• Civil Litigation and Appeals</li> <li>• Contracts</li> <li>• Wills, Trusts, Estate Planning</li> <li>• Probate, Guardianships, Elder Law</li> </ul> |
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We have offices in Boise, Challis and Twin Falls, where you can visit us any time. Our Boise office provides a great base of operations, with four partner attorneys, and two seasoned legal assistants. Our Challis office has a senior, of counsel, attorney and part-time legal assistant with long-time community connections. Our Twin Falls office has an associate attorney with intimate familiarity of dairy operations. Sawtooth Law’s attorneys include Dan Steenson, Bryce Farris, David Claiborne, Andy Waldera, Evan Roth and Jim Bennetts. Our staff includes Katie Kelly, Debby Long and Melodie Baker. With great office locations in south and central Idaho, and with these veteran personnel, we can assure you that Sawtooth Law is capable of providing quick turn-around and prompt service. You can learn more about us at [www.sawtoothlaw.com](http://www.sawtoothlaw.com).

We will be submitting articles for the Association’s newsletter on issues that affect dairy farm families and businesses. On the following page you will find a brief outline from Sawtooth partner, David Claiborne, on the Ag Security statute challenge. If you have specific topic you would like us to address, please contact Evan Roth at [evan@sawtoothlaw.com](mailto:evan@sawtoothlaw.com) or by telephone at (208) 969-9585.

## Ag Security Statute Challenge

During Idaho's 2014 legislative session, the State Legislature passed legislation, known as Ag Security, making it illegal for unauthorized videoing and recording on agriculture operations. The newly passed statute has been challenged in U.S. Federal Court by the ACLU and other plaintiffs.

On April 28<sup>th</sup> a hearing was held in Federal District Court in Boise to argue the constitutionality of the Ag Security statute. The plaintiffs utilized the services of legal counsel from ACLU, Social Justice and PETA. The state was represented by two Deputy Attorney Generals. IDA petitioned Judge Winmill twice to be granted intervener status so our legal counsel could also argue the case. Judge Winmill denied those request, leaving the state to fight the battle on behalf of agriculture. Following is a summary of the hearing, provided by David Claiborne of Sawtooth Law.

*On April 28, 2015, U.S. District Judge Lynn Winmill heard argument on the constitutional validity of Idaho's agricultural security law. The issues in the case are not factual, and as such there will be no trial. The issues are all legal in nature and call upon the Court to determine the constitutionality of Idaho's agricultural security law based on principles of free speech, freedom of the press and equal protection.*

*The Plaintiffs argue that the law is unconstitutional because it prohibits investigative journalism and other conduct preparatory to speech by animal protectionists. Plaintiffs admit they lie to*

*gather information, but characterize their "journalistic lies" as high value lies entitled to first amendment protection. Plaintiffs further argue that the law was motivated by hatred, or animus, toward a politically unpopular group and therefore violates equal protection.*

*Plaintiffs' constitutional challenge is opposed by the State of Idaho, Idaho Dairymen's Association and Food Producers of Idaho. The argument in defense was presented by the State of Idaho. The State counters that the agricultural security law is valid legislation enacted to protect private agricultural land-owners and private agricultural business enterprises from invasions meant to cause harm to Idaho's agricultural industry.*

*The defense argues that rights of free speech and of the press do not extend to non-public areas, and that lies told to cause harm to others are low value speech not protected by the constitution. As to the motivation for the law, the defense argued the law was not motivated by hatred, but instead by a concern for and desire to protect agricultural operations from wrongful conduct – operations that are spread out across the law and uniquely vulnerable to bad actors.*

*In his few comments from the bench, Judge Winmill indicated the case presented "cutting edge" constitutional questions and that his decision would be based on the abstract and not on the circumstances that brought the case before the Court. A decision from Judge Winmill is expected within 4-6 weeks.*

*(Vesicular Stomatitis- Continued from page 4)*

affected animal have healed.

- Implement on-farm insect control programs that include the elimination or reduction of insect breeding areas and the use of insecticide sprays or insecticide-treated ear tags on animals.
- Use personal protective measures when handling affected animals to avoid human exposure to this disease.

Veterinarians and livestock owners who suspect an animal may have vesicular stomatitis or any other vesicular disease should immediately contact State or Federal animal health authorities. Diagnosis of the disease cannot be made based on clinical signs but requires testing of samples at a facility approved by the U.S. Department of Agriculture's National Veterinary Services Laboratories in Ames, IA.

A diagnosis can be based on antibody tests using serum samples from the animal and/or by detecting virus from

swabs of lesions, blister fluid, and tissue (flaps, biopsies). A diagnosis can generally be made in a week or less.

Idaho has strict rules for importation of livestock from a state that has premises under quarantine for vesicular stomatitis. All livestock are required to have a Certificate of Veterinary Inspection (CVI or health certificate) with an accompanying statement issued by the veterinarian issuing the CVI as well as an import permit issued by the ISDA. Livestock are not allowed to be imported from premises where vesicular stomatitis has been diagnosed within the previous 30 days.

Since there could be a vesicular stomatitis outbreak in any given year, it is essential that veterinarians and livestock owners be on the alert for animals displaying clinical signs of the disease. For current information on vesicular stomatitis outbreaks or summaries of the most recent past outbreaks, please visit the APHIS Web site at [www.aphis.usda.gov/vs/nahss/equine/vsv/](http://www.aphis.usda.gov/vs/nahss/equine/vsv/) or contact the ISDA Division of Animal Industries at 208-332-8540.

## Yakima RCRA Citizen Suits

Many dairy producer organizations, including IDA through the Independent Dairy Environmental Action League (IDEAL), have assisted three Yakima dairy farm families in the defense of citizen lawsuits filed against them for alleged violations of the Resource Conservation Recovery Act (RCRA). The litigation has lasted roughly 2 years and has come on the heels of EPA regulatory action which made similar allegations against these three dairy farm families under the Safe Drinking Water Act. The end result of the EPA regulatory action was the execution of an Agreed Order of Consent with EPA, which the dairy producers assumed would protect them from citizen suits regarding nitrates in groundwater. EPA provided no such protection.

On January 14th Judge Rice issued his decision on summary judgement motions deciding nearly all aspects of the case brought against Cow Palace. His findings went overwhelmingly against this very well managed dairy. This citizen suits represent the first time RCRA has successfully been used to create liability for a dairy farm based on how nutrients were handled.

The following is taken from a press release provided by Cow Palace regarding the settlement of the citizen suit brought against this family owned business.

In an effort to go above and beyond federal and state standards for environmental responsibility and to move past a lengthy legal battle, three Lower Yakima Valley dairies have reached a settlement with Community Association for Restoration of the Environment and the Washington, D.C.-based Center for Food Safety. The dairies view this agreement as a duplicative, but over-all balanced approach to addressing the issues of application, storage, and management of manure.

“Our family is committed to the health and safety of our neighbors and employees in the Lower Yakima Valley. The overall mission of our farm remains the same; to produce wholesome milk and be responsible stewards of the land,” said Adam Dolsen, of Cow Palace Dairy. Dolsen adds, “Groundwater quality has been a concern for decades in the Valley, long before our dairies even began operating. Our historic management practices prevented any significant contribution of nitrates to groundwater,

and with the new practices announced in this settlement we eliminate any doubt whatsoever.” Dolsen concluded, “We’ve been the tip of the spear and I’m proud of our team, the other dairies, and our employees who really showed an impressive level of leadership. We look forward to working with our neighbors to identify and remediate nitrate levels that are seen not only here, but across the State.”

Brendan Monahan, attorney for the three dairies, said “This case was premised on an EPA study that was fundamentally flawed and unreliable. But despite our misgivings about the way it was initially handled, we feel like we’ve reached a sensible balance that addresses all of the plaintiffs’ concerns while still respecting the autonomy of these family farms and allowing them to operate commercially viable and innovative dairies.” Monahan added, “The vast majority of settlement requirements simply duplicate the voluntary commitments that were made to the EPA. And that’s consistent with the history of these three dairies, where they have consistently exceeded all standard industry practices in their composting operations, lagoon maintenance, and field management”

The settlement will be incorporated into the existing Agreed Order on Consent (AOC) between the dairies and the Environmental Protection Agency (EPA). The settlement adopts the lagoon plans, irrigation protocols and field management practices that have already been established in the AOC, as well as formalizing dairy practices with respect to silage, compost and cow pens. The plans proposed to the EPA call for lagoons lined with both geosynthetic clay and polymer liners, which meet or exceed any current standard for dairy waste lagoons in the State of Washington.

Preliminary discussions with the EPA indicate the federal agency will likely embrace the terms of the settlement as part of the AOC. In addition to operational elements, the settlement will continue and expand the agreement with the EPA to provide drinking water to members of the Granger/Outlook community. The settlement will also result in the installation of 14 new monitoring wells, which will provide new and additional data regarding the presence and source of nitrates in groundwater.



## Market Opportunities

By Nick Buysel

Since opening our office in Twin Falls it has been a rewarding experience, and I have enjoyed meeting so many people here in Idaho!

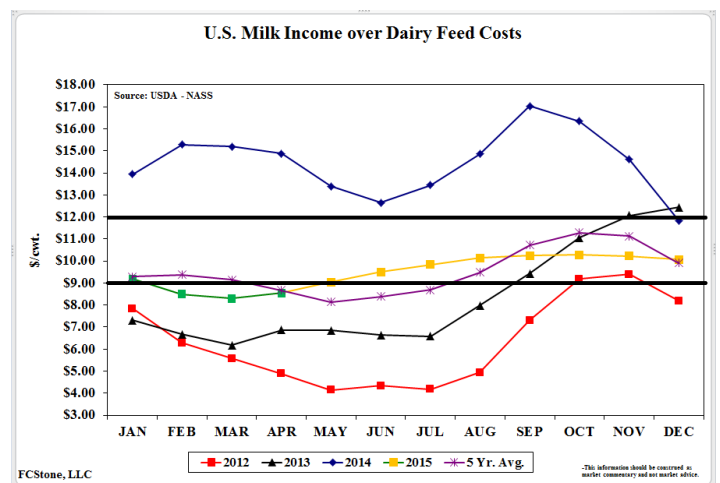
At the American Dairy Products Institute (ADPI) conference recently in Chicago I had the opportunity to speak with market participants from all over the world. One thing is clear, protein demand has been sluggish. Whey protein prices have been very weak along with nonfat dry milk prices. There has been a significant expansion in powder production capacity across the world betting on Asia's demand for protein. With all this being said, our domestic cheese prices have held firm. Domestic demand from food service customers has been very strong. The National Restaurant Association's Restaurant Performance Index has posted an impressive 25 consecutive months of expansion! US cheese exports in Q1 were down 12% vs record numbers in 2014, but they were up 25% from 2013's pace.

There are some market dynamics at play which seem likely to keep US cheese prices contained below last year's historic highs. The competition in the export markets is the most relevant argument. Recently US GDP numbers posted a disappointing 0.2% growth rate. There are no guarantees Russia will cancel their food import bans this August. This year we are seeing opposite trends in milk production. Milk growth in California is weak, down 2.9% which is being countered by 3.6% growth in Wisconsin which will translate into more cheese. Another key theme that we watch closely is the relationship between Class III and IV prices. In the month of April, Class III traded in excess of a \$2 premium to class IV. In the height of last year's bull market Class IV was actually over a \$2 premium to Class III. The point is naturally more milk will be flowing into the higher priced products as producers search for the highest returns.

With a generally bearish sentiment at hand producers have an opportunity to take advantage of good profit margins. In general producers are worried about missing

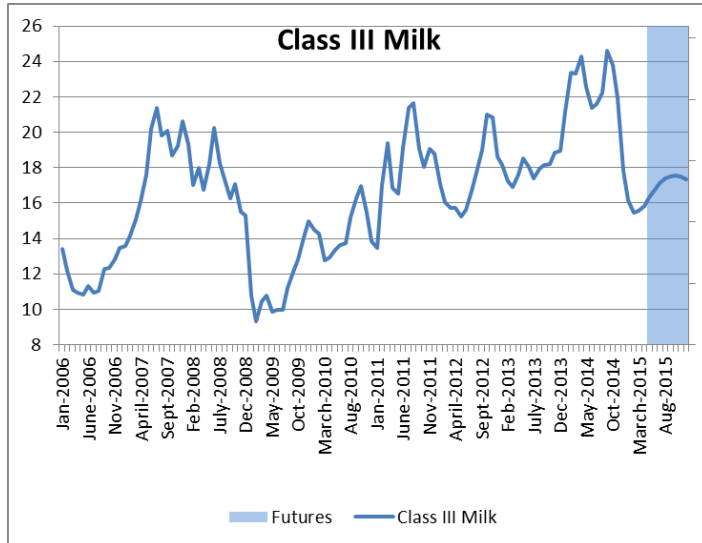
market highs when locking in contracts. The solution would be to scale into some options strategies. I would recommend setting a \$16 floor and \$19 ceiling Min-Max (AKA Fence or Collar) in the 2<sup>nd</sup> half of 2015. The nature of a Min-Max is it offers you protection, but it also allows you to take advantage of much higher milk prices.

My logic here is that with feed prices being the lowest since 2010 producers are enjoying much lower break-evens. A \$16 floor may not seem very attractive, but it will offer good protection because of lower break-evens. A \$19 ceiling will allow you to still take advantage of higher milk prices. As illustrated in the Income over Feed Cost (IOFC) chart so far in 2015 (green line) margins have been in the \$8 range. The yellow line is the projected IOFC forecasted by the Class III and grains futures markets. By comparing the IOFC and Class III charts you can see how much margins have improved with lower feed prices. For example, in 2013 milk prices were above 2015 futures prices, but the IOFC is much higher in 2015. On the IOFC chart, the two black lines show the estimated floor and ceiling IOFC with a \$16 floor by \$19 ceiling Min-Max with feed prices also locked in. This strategy will allow you to avoid the low profit margins of years such as 2009 and 2012, but it will also allow you to capitalize on good years as well.





(FC Stone - Continued from page 8)



Every producer has different goals and risk tolerances. Producers need to ask themselves if they are comfortable with milk prices trading within this price range. If you have any questions about how to take advantage of opportunities like this through forward contracting programs, or your brokerage accounts, do not hesitate to come visit us in our new Twin Falls office!

(Simpson - Continued from page 1)

Obama Administration's "Waters of the United States" proposal.

The proposed rule would expand the reach of the Clean Water Act by replacing the term "navigable waters" with the term "waters of the United States." Non-navigable waters are currently regulated by the states. Striking this term means that the Act could be broadly interpreted to include everything within a state, including ground water.

Some think that because the federal government isn't regulating certain waters, they go unregulated. In the west, we know that is false. They are regulated by the states, just as they should be. I have also cosponsored stand alone legislation that would require this harmful rule to be withdrawn.

### Repealing the Death Tax

The House of Representatives has been committed to passing legislation in the 114<sup>th</sup> Congress that protects our freedoms and promotes individual opportunity. The House has already passed 62 bills in the first 100 days of

this year, including the Death Tax Repeal Act, which passed with bipartisan support.

Throughout our lives, people pay sales tax, property tax, and income tax on their assets. Paying Uncle Sam *again* should not be part of the grieving process. The death tax accounts for less than one percent of federal revenues, but almost one-third of business owners are forced to sell their businesses or liquidate a portion of their assets to pay death taxes. Far from benefiting only the richest citizens, the repeal of the death tax would assist farmers and small businesses. I know this is important to the family owned practice of the dairy industry, and I was pleased to support final passage.

### Increasing Truck Weights

I continue to pursue an increase in the weight of trucks allowed on Idaho Interstates. Idaho's current weight limit of 105,500 pounds on the Interstate puts us well below the maximum weight allowed in Montana, Wyoming, Utah and Nevada, putting our state at a significant disadvantage. My bill, H.R. 129, which I first introduced in 2008, would increase the maximum weight in Idaho to 129,000 pounds.

While I seek out support for my bill and hope to have it included in transportation reauthorization this year, I have also secured language in this year's Transportation, Housing and Urban Development Appropriations bill which would do the same thing. Last year my language was stripped out in negotiations with the Senate after it passed in the House, but I have great hope it will become law through the appropriations process this year.

I have only sought this increase after a ten year study in Idaho found the increase would have no negative impact on our roads and bridges, nor impact safety. Increased truck weights in Idaho would be a major generator of economic activity, especially for Idaho agriculture, and it would also put us on a level playing field with our neighbors.

I am grateful for the dairy industry's contributions to Idaho's economy, and as co-chair of the House Dairy Caucus, I look forward to advancing solutions that create opportunities for farmers, ranchers, and small businesses in Idaho.



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### Upcoming Events

May 26th	UDI Emerging Leaders Training - Twin Falls
May 27th	UDI Board Meeting - Twin Falls
July 29 & 30th	UDI Board Meeting - Meridian

### Board of Directors - United Dairymen of Idaho

**Tony VanderHulst**—President, IDA; Co-Chair, UDI    **Adrian Kroes**—Vice President, IDA    **Pete Wiersma**—Treasurer, IDA  
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**Arie Roeloffs**  
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