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NORTHEAST DAIRY LEADERSHIP TEAM ASSESSING DAIRY PROPOSALS TO RECOMMEND MEANINGFUL REFORMS

Team, Center for Dairy Excellence Advocate for Agreement on Federal Dairy Policy Reform

HARRISBURG – Amid the ongoing dairy crisis, members of the Northeast Dairy Leadership Team are working to reduce price volatility and institute meaningful policy reforms that will ultimately bring about lasting improvements for individual producers and the industry at large.

According to Pennsylvania Agriculture Secretary Russell C. Redding, the current downturn exposed deficiencies in the existing system that must be addressed to avoid similar circumstances in the future. To do that, he said, consensus among stakeholders is critical and that's where the leadership team has focused its efforts.

“As the economic recession unfolded and brought unprecedented challenges to the dairy industry, flaws in the existing dairy policy and marketing structure became magnified,” said Secretary Redding. “During the past few years of volatile milk prices, the leadership team has been aggressively working through the issues impacting this industry. We have intensified discussions around these areas and identified what we believe a revised system should address.”

Redding said the leadership team agreed that any program affecting dairy pricing and policy should:

- Be market-oriented to allow for growth domestically and internationally;
- Be responsive to quickly changing market conditions;
- Include 100 percent financial participation by producers;
- Be global in nature to consider the impact of imports and exports;
- Be national in scope with the ability to implement regionally; and
- Have minimal government involvement.

To meet those goals for producers in the Northeast, the leadership team has been reviewing proposals from industry groups throughout the United States and plans to fund an analysis of those



proposals that will form the basis of recommendations to Congress containing agreement on several key points.

The analysis, which should be completed by the end of May, will analyze the Dairy Price Stabilization Program proposed by Dairy Farmers Working Together, Holstein Association USA and other organizations; the Dairy Growth Management Initiative proposed by Dairy Farmers of America; the Marginal Milk Pricing plan proposed by AgriMark; and the basic elements of the Dairy Producer Income Protection Plan.

Dr. Chuck Nicholson of Cal Poly San Luis Obispo and Dr. Mark Stephenson of Cornell University will conduct the analysis to evaluate impact on the industry and individual farm businesses.

“Members of the team agree that meaningful changes need to be made,” said Vermont Agriculture Secretary Roger Allbee. “However, we also believe that the changes need to be led by the industry as a whole, and as an industry, we must achieve consensus on proposal components. The analysis will play a key role in bringing about that consensus.”

Stephenson and Nicholson will evaluate the effectiveness of each proposal on limiting price variation and assess its impact on exports and revenues for farmers and processors.

“We plan to share recommendations from Nicholson and Stephenson’s analysis with Congressional leaders, so they can use the information in making decisions affecting the future of individual dairy farm businesses in the Northeast,” New York Agriculture Commissioner Patrick Hooker said. “All who participate in the Northeast Dairy Leadership Team agree that we need to lead change in our industry and we need to do so now.”

The leadership team is comprised of state agriculture leaders – including Redding, Allbee and Hooker – and regional industry representatives from the farm, sales and service, and processing segments. The group serves as a driving force for a vibrant, growing dairy industry in the Northeast through dynamic regional stakeholder collaboration.



The Center for Dairy Excellence in Harrisburg, Pa., helps facilitate Northeast Dairy Leadership Team activities. “Since January 2009, the team and the center have engaged in ongoing discussions with our Northeast Congressional delegation to help them understand the significance of the dairy farm crisis and the need to change dairy policy to positively benefit the dairy industry,” said John Frey, executive director of the Center for Dairy Excellence. “We believe the analysis will provide documentation to demonstrate the need for a comprehensive plan for dairy pricing and policy.”

For more information about the Center for Dairy Excellence, visit

www.centerfordairyexcellence.org. To learn more about the efforts of the Northeast Dairy Leadership Team, click on the "NEDLT" icon at the bottom of the center website homepage. In New York, contact Mark Kenville at 315-453-3823; in Vermont, contact Coleen Leonard at 802-828-3835; and in Pennsylvania, contact John Frey at 717-346-0849.

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The Center for Dairy Excellence is an initiative of the Department of Agriculture and was launched in January 2004 by Governor Edward G. Rendell. Bringing together people from more than 40 different dairy organizations in Pennsylvania, the Center's mission is to enhance the profitability of the dairy industry by empowering people, creating partnerships, and increasing the availability and use of resources. Learn more about the Center at www.centerfordairyexcellence.org.