



For Immediate Release

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Northeast Dairy Leadership Team Reviews National Dairy Efforts, Identifies Need for Change

State Delegates Reaffirm Value of Regional Efforts to Promote Industry

Harrisburg –The Northeast Dairy Leadership Team recently met to discuss dairy pricing proposals and national efforts affecting the long-term viability of the region’s dairy industry. The meeting’s goal was to identify regional initiatives to support the dairy sector and collaborate on efforts being discussed at the national level.

The leadership team, an initiative of Pennsylvania Agriculture Secretary Russell Redding, New York Agriculture Commissioner Patrick Hooker, and Vermont Agriculture Secretary Roger Allbee, is comprised of agriculture leaders and industry representatives from the farm, sales and service, and processing segments in the tri-state region.

“This group continues to serve as a driving force in helping to sustain the dairy industry in the Northeast,” said Redding. “This meeting affirms the value of partnering with the other states in our region to create, explore and implement changes necessary to move this industry forward.”

During the meeting, Dr. Mark Stephenson reviewed a Cornell University and California Polytechnic Institute research project, funded in part by the Northeast Dairy Leadership Team. Stephenson explained the project, “Analysis of Program Options to Reduce Dairy Price Volatility,” uses models to evaluate dairy price proposals addressing marketplace volatility. The full analysis report of the study will be released later this summer after researchers conduct further work.

“The team members agree that meaningful changes within the dairy industry need to be made” said Allbee. “However, we also believe the changes need to be led by the industry as a whole, and we as an industry must achieve consensus on proposal components. Although the final results of the study are not yet available, we know it will provide information to help achieve that consensus.”

The region’s representatives on the U.S. Department of Agriculture’s Dairy Industry Advisory Committee also provided an update. Committee members Dr. Andy Novakovic (chair) from Cornell University, Erick Coolidge (vice-chair), a dairy farmer and county commissioner from Tioga County, PA, and Robert Schupper, dairy category manager with Giant Foods in Carlisle, PA, discussed the work of the full committee and subcommittees to address specific issues related to dairy, including dairy farm profitability, current dairy programs and dairy price volatility.

“It is invaluable to have regional representation on USDA’s Dairy Advisory Committee, which has been charged with developing recommendations for USDA Secretary Tom



Vilsack to address price volatility in dairy," said Hooker. "These three individuals bring to the committee insight on the uniqueness of our region's dairy industry and what programs will address the needs of this region."

Mike Suever, vice president of dairy procurement with H.P. Hood, and Greg Wickham, CEO of Dairylea Cooperative, provided updates on a joint task force of the National Milk Producers Federation and the International Dairy Foods Association addressing dairy volatility issues. The task force was created to identify areas of agreement between producer and processor organizations on specific policy points that can favorably impact the profitability and viability of the production and dairy processing industries.

According to Suever and Wickham, fluid milk consumption in the U.S. continues on to decline, while products such as yogurt are having a significant impact on both domestic and global dairy sales. Suever also discussed how having fewer classes in the milk pricing system could potentially enhance producers' ability to manage milk price volatility.

"Suever and Wickham explained how maintaining an open market for milk necessitates transparent and clear market signals to enhance producers' ability to use risk management tools," said John Frey, executive director of the Center for Dairy Excellence, an organization that helps facilitate the leadership team's work. "Removing the barriers that restrict market transparency is essential and must remain a high priority in any dairy farm policy or program."

Aspects of the current Dairy Price Support Program that discourage innovation and a consistent presence of U.S. dairy products in the international marketplace were reviewed, as well.

"Everyone on the leadership team recognizes the need for the U.S. to become a consistent player in the global dairy market," said Allbee. "It is essential to the future strength of our industry."

Bill Curley and Phil Plourd with Blimling & Associates, a leading dairy consulting group, led a discussion about the world economy and its effect on dairy production and sales. They discussed the new realities around dairy cost of production and how Northeast dairy farms have an advantage in growing, rather than purchasing, feed.

"There are continued opportunities for dairy farms of all sizes that recognize the importance of emphasizing production per cow and overall operational efficiency," said Hooker. "This is an advantage for the northeast region, where farms traditionally tend to focus on production per cow rather than growth in cow numbers."

The group reviewed its organizational priorities and plans to move forward on efforts to advocate for changes critical to the survival of many Northeast dairy farms. State agriculture leaders Redding, Hooker and Albee spoke to the group and challenged



team members to provide the leadership necessary to advocate for meaningful changes benefiting the dairy industry.

“We can’t wait for the 2012 Farm Bill to advocate for change,” Redding told the group. “We must take the best two or three ideas from this discussion and be clear in what we want as an industry. We need to identify the changes and tools our industry needs, and then provide the leadership to advocate for these changes and tools with Congress.”

The meeting concluded with a commitment from members to continue discussions over the summer on strategic efforts supporting a viable and growing northeast dairy industry. More information on the Northeast Dairy Leadership Team is available at www.centerfordairyexcellence.org. Click on the “NEDLT” icon at the middle of the homepage.

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The Center for Dairy Excellence is a non-profit organization developed by the Pennsylvania 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.