



Department, Center Working on Behalf of Dairy Producers

Editor's Note: This is a special feature from the Center for Dairy Excellence exclusively for the Farmshine newspaper.

By John Frey, Executive Director,
Center for Dairy Excellence

Pennsylvania dairy farm families continue to have a strong advocate for dairy in our state agriculture department. In this month's issue, I have asked acting Secretary Russell Redding to share some of the initiatives that the department has undertaken recently on behalf of dairy producers.

One of those initiatives is the work we do on-going at the Center for Dairy Excellence.

Since its inception, our focus at the center has been to coordinate the resources, both people and programs, and develop the initiatives that will make a lasting impact on farm profitability.

Fulfilling that mission has become increasingly more challenging, as all dairy farmers struggle to maintain profitability, with milk margins at well below breakeven levels.

However, the test for everything we do at the center remains whether it provides the potential for dairy producers to make better decisions or improve their dairy businesses.

We continue to offer programs focused on business management, on-farm resource teams, succession planning and other areas to provide farms that participate opportunities for building stronger dairy businesses.

Yet, we know that having a profitable dairy business is difficult, considering today's historically low margins.

While the center remains committed to our core programs, much of our time recently has been spent communicating with legislators, dairy producer groups, and other dairy stakeholders to evaluate the current crisis and discuss short and long term solutions.

The Pennsylvania Dairy Task Force, a group of 110 dairy farmers and industry representatives working on behalf of Pennsylvania's dairy industry, and the Northeast Dairy Leadership Team (NEDLT), a regional initiative of Pennsylvania, New York and Vermont, continue to meet

regularly to discuss issues, share information, and make recommendations that positively impact the region's dairy industry.

Much of what we've done at the center recently has resulted from the recommendations and ideas of these groups, meeting with congressional leaders and policy makers, encouraging them to take action to support dairy farm families.

In December, we compiled a list of initiatives identified by the NEDLT that we would took to the northeast congressional delegation in Washington, D.C. We have also had ongoing visits with state legislators throughout this spring and summer.

In June, we launched a special e-bulletin for these state legislators to keep them informed about the situation. And, as a result, many of those legislators are now calling the center, asking how they can help their dairy farm constituents.

The situation our dairy industry is in reminds me that we should "never let a crisis go to waste;" now is the time to re-evaluate our systems.

Many in the industry are challenging every level of our production and milk marketing systems to identify short and long term solutions.

One positive thing that has happened in this time of re-evaluation is that dairy farm families are becoming more actively engaged in the discussion as we work together to develop the solutions for both recovery and future profitability.

A lesson to take away from 2009 is that the dairy farmers who are engaged today must remain engaged. In Pennsylvania, we are fortunate to have organizations like the task force and NEDLT that afford that opportunity long after this period of depressed margins is behind us.

A Message to Dairy Producers from Pennsylvania Agriculture Acting Secretary Russell Redding



pennsylvania
DEPARTMENT OF AGRICULTURE

Growing up on a dairy farm in Adams County, I learned at a young age there is an early-to-bed, early-to-rise lifestyle that is unique to the dairy industry.

When my wife, Nina, and I ran our own dairy operation, we gained a new appreciation for another aspect of life that is unique to dairy farmers - making a living from your milk check. Today, that milk check shows the effect of a struggling economy and dairy market.

While cyclical markets are not new to the dairy industry, we know that we cannot passively sit and wait for the market to adjust itself. That is why the department continues to work diligently to advocate for immediate relief and long-term support for our dairy farm families.

This work to advocate for the dairy industry is not a recent development. It was the guiding objective behind the formation of the Pennsylvania Dairy Task Force, and, at this group's recommendation, the Center for Dairy Excellence.

During this financial crisis, the department and the center have

worked tirelessly to provide support to producers and dairy businesses, offering additional programs, resources and personal advice aimed at helping producers manage through the market crisis while keeping an eye on what the future holds.

At the federal level we continue the efforts started in 2006, when under former Secretary Dennis Wolff's leadership, Pennsylvania helped establish a dairy policy group to identify recommendations for growth in the dairy industry.

While dairy policy in the U.S. is complex, recommendations from this group were heard by the USDA and members of Congress - and Pennsylvania yet again helped influence national dairy policies.

Recommendations included:

- ◆ Strengthening the farm safety net
- ◆ Developing stronger export markets to reduce volatility
- ◆ Improving the federal order system, with a two-class system for pricing milk instead of a four-class system
- ◆ Improving price discovery by

mandating daily reporting

Today, producers are benefiting from the good thinking of this group through the new feed cost adjuster added to the Milk Income Loss Contract program in the Farm Bill, which will contribute millions to the bottom

and House Agriculture Committees to inform members about the dairy crisis, and to our congressional delegates to explore potential short-term relief and long-term solutions.

This week, I asked the center to bring together the dairy task force

The Department understands well the connection between the health of our dairy farms and the health of our communities. We appreciate the work done by our dairy farmers and the challenges they are facing. Our commitment to the Pennsylvania dairy industry remains strong, and we will continue to advocate on behalf of our producers at the local, state and federal levels.

Russell Redding, Pennsylvania agriculture acting secretary

lines of U.S. dairy producers.

In addition, the LGM for Dairy program was created as an option for controlling market risks.

We've worked with our partners in the northeast congressional delegation to urge federal assistance for dairy farmers, and remain in almost daily contact with New York and Vermont as we all work through the tough dairy economy.

Governor Rendell has joined other governors in asking USDA to seek ways to bring immediate aid to producers - prompting USDA actions such as loan-forgiveness for dairy farmers. Our efforts in Washington, D.C., have taken us to the U.S. Senate

during the All-American Dairy Show to seek their advice, which has always been so helpful to the industry.

We want to ensure our efforts support dairy farmers when they need it the most.

While each of us faces the effects of a global recession, there is one certainty I want to share. Your work is deeply appreciated, and the department will continue to work for our dairy industry here at home, within the region and in the nation's capital. We can do no less, because we know how much you give each and every day on the farm and in your community.

