



The Center Spotlight

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PA Dairy Task Force Discusses Dairy Policy Recommendations



Pennsylvania acting Secretary of Agriculture Russell Redding (second from left) held a special meeting with 30+ key dairy leaders to discuss the current situation and dairy policy recommendations going forward.

Editor's Note: This is part of a monthly series of timely articles and information from the Center for Dairy Excellence, a non-profit organization focused on strengthening Pennsylvania's dairy industry.

HARRISBURG, Pa. — Pennsylvania acting Secretary of Agriculture Russell Redding held a special session of the Pennsylvania Dairy Task Force to discuss the current dairy situation and possible solutions. The group reviewed a list of dairy policy recommendations developed in 2006 and recently updated to guide the department and center's work in advocating for change.

These recommendations are outlined in the sidebar on this page and serve as the foundation for ongoing discussions the Pennsylvania Department of Agriculture and Center for Dairy Excellence are having with both local and federal policy makers.

"The Dairy Task Force is a group of good thinkers that represent a great cross section of the dairy industry," says Russell Redding, acting secretary. "They are engaged in the dairy policy discussions

every day, and I value their insight and the knowledge they bring with them."

The group spent considerable time reviewing the various factors that are influencing milk markets and dairy pricing, and they made certain the dairy policy recommendations drafted by the department and the center were appropriate and meaningful.

"Last week's meeting ensured there is consensus in making sure we are utilizing all state authority to strengthen prices," Secretary Redding says. "The information presented is key to us creating unity at the task force level and providing greater

clarity for policy and legislative leaders."

Issues discussed by the group included

the need for greater price discovery, the need for a stronger producer safety net, the influence that imports and exports have over the marketplace, and the need for greater oversight over trade agreements. The group also discussed the federal order system and possible reforms.

In addition to reviewing the policy recommendations, the group also reviewed two letters sent by Governor Ed Rendell on behalf of Pennsylvania's dairy industry. The first was a letter sent to the PA Milk Marketing Board asking

them to identify all measures within their authority to help dairy farms work through this crisis. The second was a letter sent from Rendell and 10 other governors representing the Northeast to the Senate and House conference committee urging them to include the \$350 million in dairy producer support funds in the final Fiscal Year 2010 Agriculture Appropriations bill.

"The information we discussed at the meeting will enable the center and the department to advocate for better decisions in the future," says acting Secretary Redding. "It was a reality check for all of us to help us move forward in a more unified manner to bring aid to Pennsylvania's dairy farm families."

Policy recommendations supported by the Pennsylvania Department of Agriculture and Center for Dairy Excellence focus on the following:

- **Greater market transparency and price discovery**, with improvements in the NASS reporting system and greater use of price discovery tools that, collectively, more accurately reflect market supply and demand.
- **Strengthening of the producer safety net**, by extending the Milk Income Loss Contract (MILC) program and providing dairy producers with meaningful risk management tools.
- **An overhaul of the federal order system**, studying the economic benefits to producers of establishing two classes for milk, adding input costs into the pricing formula, and requiring more timely decisions.
- **The development of new markets and additional industry investment**, by actively pursuing investment in new technologies in dairy ingredient manufacturing and making full use of the Dairy Export Incentive Program. The recommendations also call for a thorough review of the Dairy Price Support Program and of the Standards of Identity for all products used in dairy manufacturing.
- **Strengthening the oversight of trade agreements**, to ensure that all trading products are correctly classified and all partners are abiding by the terms of the agreements.
- **A exploration of the Pennsylvania Milk Marketing Board's authority**, to fully explore opportunities to enhance profitability at the dairy farm production level.

For the complete list of recommendations, visit www.centerfordairyexcellence.org.

Pregnancy Rates Show Promise for Future Herd Growth, Performance

HARRISBURG, Pa. — Pennsylvania released its August edition of the Pennsylvania Dairy Industry Performance Scorecard, which shows significant gains in several key management areas. Somatic

cell counts continue to improve, down 9.1 percent from a year ago, despite the hotter weather.

Pregnancy rates significantly improved, up 6.9 percent from last year's levels, to 18.06 percent. This

is a sign of better days to come, with improved pregnancy rates often leading to increased milk production per cow and greater herd growth down the road.

Average days in milk also improved, down 7 days from last year, while the age at first calving dropped slightly. Production per cow was up 1 pound from a year ago, with the state's total milk production in August increasing 0.7 percent from a year ago.

Pennsylvania's share of the U.S. milk market increased in August as well, with the nation's total milk supply down 0.2 percent. Pennsylvania now accounts for 5.58 percent of the nation's milk supply.

Resources available for your dairy farm

The Center for Dairy Excellence has funding resources available to help farms establish an on-farm resource team. Farms can choose from a traditional profit team, a target profit team or a succession planning team. Profit teams are proven to help improve dairy profits through better decision making.

Information about the profit team program can be found online at www.centerfordairyexcellence.org. You can also view the complete scorecard online, but clicking on the "Scorecard" icon at the bottom of the Center for Dairy Excellence's home page.

Pennsylvania Dairy Industry Performance Scorecard Summary	August 2008 Report	August 2009 Report	Change from last year	Target range
Milk Cows	548,000 cows	545,000 cows	-0.5%	
Rolling 12-Mo. State Milk Production	10.682 bill. lbs.	10.524 bill. lbs.	-1.5%	10.8 bill. lbs.
Wholesale Milk Price	\$20.50/cwt.	\$13.20/cwt.	-35.6%	
PA Daily Feed Costs (cost of corn, soybean & hay at 100 lbs. milk)	\$8.15/cwt.	\$6.09/cwt.	-25.3%	
Milk Production/Cow/Day	59 lbs.	60 lbs.	+0.6%	80 lbs.
% of Herds with 80+ lbs./cow/day	8%	7%	-9.3%	
Rolling 12-mo. Herd Production Average	21,160 lbs.	20,930 lbs.	-1.1%	25,000 lbs.
Average Somatic Cell Count	349,000	317,400	+9.1%	200,000
% of Herds below 200,000 SCC	21%	26%	+22.8%	
Average Days In Milk	196 Days	189 Days	+3.4%	185 Days
Average Age to First Calving	25 .6 months	25.4 months	+0.6%	21—24 mo.
Average Days to First Service	92 Days	90 Days	+1.9%	< 80 Days
Average Cull Rate (% left herd)	32.9%	33.4%		20—35%
Average Pregnancy Rate	16.90%	18.06%	+6.9%	> 20%
To view complete scorecard, visit:	www.centerfordairyexcellence.org			