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Dairy/Livestock

Mexican veterinarians sue Idaho dairy

By CAROL RYAN DUMAS
Capital Press

Six Mexican veterinarians are suing an Idaho dairy for human trafficking, racketeering and breach of contract, alleging they were fraudulently recruited to work as animal scientists but were instead forced to work as low-wage general laborers.

The plaintiffs claim they were unlawfully lured to the U.S., arriving in late 2014, with false promises of professional-level employment but instead were assigned such duties as milking and moving cows and cleaning cow pens.

The lawsuit against Funk Dairy of Murtaugh, southeast of Twin Falls, also names Shoesole Farms of nearby Hansen; David Funk, owner of both farms; dairy manager Curtis Giles; attorney Jeremy Pittard, who arranged the veterinarians' visas; and 10 yet-to-be-named individuals or entities "legally responsible in some manner."

It was filed Jan. 3 in U.S. District Court in Boise.

The lawsuit alleges criminal conspiracy to bring Mexican nationals to the U.S. illegally for purposes of forced labor. It places Giles at the center of an alleged conspiracy to evade U.S. immigration laws to fraudulently acquire general laborers under temporary professional visas.

Plaintiffs Cesar Marti-



Capital Press File

Holstein dairy cows are seen in this photo. Six Mexican veterinarians have sued an Idaho dairy farm alleging their were promised professional work but were assigned menial jobs.

nez-Rodriguez, Dalia Padilla-Lopez, Mayra Munoz-Lara, Brenda Gastelum-Sierra, Leslie Ortiz-Garcia and Ricardo Neri-Camacho allege Giles told them Funk Dairy wanted them to "develop, implement and oversee effective animal reproduction, nutrition, animal health and related dairy programs with the university studies they had received."

Allegations listed

They claim defendants had no intention of providing professional work, threatened them with deportation and exploited their fear, unfamiliarity with the American legal system, inability to speak English and their immigration status, according to the lawsuit.

Not yet served

Dairy manager Giles said the dairy had not been notified of any lawsuit against it but offered the following statement: "We care for our employees and do our best to ensure they are well taken care of in all aspects of their employment."

Pittard, a public defense and immigration attorney in Burley, also said he had not yet been served.

He said Funk was not a client before approaching him to look into visas to bring in animal scientists to work on the dairy and he helped with the process to make sure they got the proper visas to enter the country lawfully and legally.

"This is all coming out of left field. All I did was help some guys get visas and that's about it," he said.

The dairy has a good reputation and is run by good people, he said.

"What's frustrating about this whole thing is they're trying to get a legal workforce, and this comes out," he said.

Pittard said he assumes the lawsuit stems from disgruntled workers who weren't expecting dairy work to be so hard and trying to get something out of it, as well as an out-of-state law firm looking for big money, he said.

"It blows me away just what's alleged and how they're trying to tie me into it," he said.

The plaintiffs, who were recruited through three universities in Mexico, also allege Giles promised to provide transportation to Idaho, transportation to and from work and living accommodations.

Promises made?

They allege he also promised an opportunity to earn higher than their \$10-an-hour wage after an undetermined period and promised a \$2,000 bonus, one week of paid vacation and cost of travel to Mexico after one year of employment.

The plaintiffs claim none of those promises materialized and they worked as general laborers 9 to 14 hours a day, six days a week in "highly unhygienic" working and eating areas and were not provided adequate protective gear or bathroom facilities.

One of the veterinarians left within the first year, and the five others were terminated after one year, despite having been offered three years of employment, Aguila-socho said.

It is still unclear why they were terminated, he said.

The plaintiffs are seeking unspecified monetary and punitive damages.

"More than anything, they want to make sure this doesn't happen to anyone else recruited for work in the U.S.," Aguila-socho said.

Dairy
Markets
Lee Mielke



Dairy markets seeking direction

By LEE MIELKE
For the Capital Press

Cash dairy prices started the new year looking for direction.

Cheddar block cheese closed the first Friday of 2017 at \$1.67 per pound, up a penny on the holiday-shortened week and 21 cents above a year ago.

The barrels closed at \$1.5750, down 2 1/2-cents on the week and 3 1/2-cents above a year ago.

Prices were unchanged Monday, with four bids of barrel at \$1.5650 going unfilled. The blocks jumped a nickel Tuesday hitting \$1.72, while the barrels were up 5 1/2-cents, to \$1.63, 9 cents below the blocks.

Milk remains available for Midwestern cheese producers, reports Dairy Market News, but milk prices are beginning to increase following the discounted holiday influx.

Cheese demand, which was slow the last week of 2016, was better than expected New Year's Week.

Butter gave up 4 3/4-cents last week, falling to \$2.22 per pound, but 18 1/2-cents above a year ago. Twenty-one cars were sold.

A rebound came Monday, jumping 8 cents to \$2.30, but held there Tuesday.

Central butter production is active due to the availability of cream following the holidays. With many schools reopening, butter producers face readily available cream from bottlers and much of it is clearing to churns. Retail butter demand is seasonally slow, while food service remains steady to slightly slower. Inventories are steady to building.

Cash Grade A nonfat dry milk closed Friday at \$1.0525 per pound, up 3 1/4-cents on the week, the highest spot price since March 4, 2015, and 31 cents above a year ago.

The powder dropped 3 1/2-cents Monday but inched back a quarter-cent Tuesday to \$1.02.

Milk prices differ

Benchmark milk prices in California and federal orders ended 2016 in different directions. The Agriculture Department announced the December FO Class III price at \$17.40 per hundredweight, up 64 cents from November, \$2.96 above a year ago, and the highest Class III since December 2014. It is 81 cents above California's comparable Class 4b price. It equates to \$1.50 per gallon, up from \$1.44 in November and \$1.24 a year ago.

That put the 2016 Class III average at \$14.87, down from \$15.80 in 2015 and \$22.34 in 2014, and the lowest annual average since 2010.

Monday's Class III futures portended a January Class III at \$16.62, February at \$17.14, and March at \$17.29, with a peak of \$17.82 in September.

The December FO Class IV price is \$14.97, up \$1.21 from November but 55 cents below a year ago. Its 12-month average is \$13.77, down from \$14.35 in 2015 and \$22.09 in 2014.

California's December Class 4b cheese milk price was \$16.59 per cwt., down 86 cents from November but \$3.69 above a year ago. The 2016 average is \$14.27, down from \$14.47 in 2015 and \$19.93 in 2014, and the lowest since 2010.

The 4b trailed the FO Class III price by an average of 71.6 cents in 2016, ranging from a high of \$1.39 in May to a low of 19 cents in June. But the November 4b price topped the FO price by 69 cents for the first time since December 2009. The 2016 lag average is down from \$1.33 in 2015 and \$2.41 in 2014.

USDA moves to dismiss HSUS pork trademark lawsuit

By CAROL RYAN DUMAS
Capital Press

USDA filed a motion last week in U.S. District Court to dismiss a years-old lawsuit the Humane Society of the United States filed against the agency for approving the 2006 sale of the National Pork Producers Council's "Other White Meat" trademarks to the National Pork Board.

HSUS — joined in the lawsuit by Iowa farmer and Iowa Citizens for Community Improvement — filed the lawsuit in 2012 alleging misappropriation of pork checkoff funding, claiming the trademarks were overvalued and seeking to have the \$35 million sale rescinded.

In its motion, USDA argues the lawsuit lacks merit, the plaintiffs failed to establish standing or show they were harmed by the sale and the trademarks provided significant value to the pork industry — well above the sale price. The agency also argues the lawsuit is barred by the six-year statute of limitations.

"We're certainly pleased that USDA has done this, but quite frankly it should have done it a long time ago," said Dave Warner, NPPC director of communications.

USDA's previous handling of the lawsuit, in which it entered into settlement talks with HSUS in December 2015 before arguing the case, rankled pork producers. NPPC members responded by approving a resolution in March 2016 calling on USDA

to uphold the sale and defend the checkoff, he said.

At that time, a spokesman for the Department of Justice told Capital Press the litigation had been stayed pending USDA's review of the Pork Board's contract for the purchase of the trademarks and that there were no ongoing settlement discussions with any party during USDA's independent review.

The joint stipulation requesting the stay was filed in court Dec. 23, 2015, and granted Jan. 6, 2016, with USDA's decision on its approval of the contract following the review due by the beginning of May 2016.

USDA initially defended the sale, filing a motion to dismiss in January 2013. The District Court for the District of Columbia dismissed the case for lack of standing in September 2013, but in August 2015 a U.S. Court of Appeals ruled the Iowa farmer does have standing and reinstated the case.

The appeals court only ruled that the farmer had standing; the merits of the case hadn't been argued when USDA entered into settlement talks, Warner said. "No one even knows if he's a hog producer or paid into the check-off."

The first thing government lawyers should have done is argue that the plaintiffs don't have standing. Rather than that happening, USDA entered into settlement talks, he said.

"Pork producers were ticked off," he said.



Courtesy of Whatcom Family Farmers

Lummi Nation Chairman Timothy Ballew II, left, and Mitch Moorlag of Edeleen Dairy talk during a signing ceremony forming the Portage Bay Partnership on Jan. 5 at the Lummi reservation in Whatcom County, Wash. Dairies pledged to work with the tribe to manage manure, while the tribe promised to hold back on suing over contaminated shellfish beds.

Washington dairies and Lummi tribe sign accord

Sides avert court battle in agreement

By DON JENKINS
Capital Press

Seven northwest Washington dairies have pledged to step up efforts to keep manure from spoiling Lummi Nation shellfish beds, while the tribe has agreed to pull back on plans to sue.

Dairies also will compensate the tribe with nearly \$1.2 million for beds closed by bacteria since 2014 in Portage Bay in Whatcom County.

Over the next several months, the tribe and dairies will try to out work water-quality improvement plans for the farms.

The agreement gives the seven dairies a reprieve from costly litigation and a forum to improve long-term

relations with the tribe, said Ferndale dairyman Rich Appel, who helped negotiate the accord.

"We've never had what I call a working relationship, where we can negotiate and come to an agreement and get things settled," Appel said. "This takes some risk off the table now and maybe more later."

The Nooksack River carries bacteria from many urban and rural sources into the bay, according to state and county officials. There are dozens of dairies in the watershed, but the seven that signed the agreement forming the Portage Bay Partnership were under the most scrutiny by the tribe.

The tribe retained Eugene, Ore., lawyer Charlie Tebbutt, the lead attorney in a suit filed against the Cow Palace Dairy and several other Yakima Val-

ley dairies. A settlement last year cost the dairies millions of dollars.

The tribe preferred to work with the Whatcom County dairies as fellow farmers, Lummi Indian Business Council policy analyst Jeffrey James said.

"Our intention wasn't to put small businesses out of business," he said. "We want to build a better relationship. We're both harvesters."

The memorandum, signed by the tribe and dairies at the Lummi reservation, capped 15 months of negotiations. Appel credited the tribe's chairman, Timothy Ballew II, with intervening last fall to move forward stalled negotiations.

Ballew and three members of the tribe's business council sat down with four farmers to work out the agreement, without lawyers.

Idaho livestock research facility back in spotlight

By CAROL RYAN DUMAS
Capital Press

The University of Idaho is leading an effort to establish a state-of-the-art livestock research facility, a project proposed a decade ago but sidelined by the recession.

The university has commissioned a consulting team to perform a feasibility study. The results of that study are due mid-January and will dictate how the project moves forward.

Commitment to the facility "never actually went away. We were on a long hold," said John Foltz, the university's special assistant to the president for agricultural initiatives.

The project gained renewed vigor with the arrival

of Chuck Staben, the university's newest president, who took office in March 2014. Because agriculture is so important to Idaho and the state has risen to the third-largest milk producer in the nation, he recognized the importance of the facility and the need to support the industry and help with the challenges, Foltz said.

Idaho's dairy industry has experienced phenomenal growth, and the land-grant university hasn't kept up, he said.

The research center has gone through several name changes and mission statements along a path to fruition to arrive at the current initiative for the Center for Agriculture, Food and the Environment (CAFE).

A large part of its focus will be on dairy production and everything surrounding it. Numerous lawsuits involving manure management, including those in the Yakima Valley of Washington state, have fueled interest in research aimed at sustainability, he said.

Manure management, nutrient management and adding value to byproducts while addressing long-term water issues are some of the big challenges facing the industry and issues the research facility will be modeled to address, he said.

A full blueprint has not yet been drawn, but preliminary plans are for a 1,500- to 2,000-cow dairy with appropriate acreage to house a livestock/crop operation, he said.

"All of this depends on

how successful we are in the financial package," he said.

The current proposal is for a \$45 million project, with \$15 million each coming from the state, the university and the industry.

"That's our goal. Whether or not we realize that ... remains to be seen," he said.

But key lawmakers are ready to go to bat for the project this legislative session, the governor has indicated support and university officials have called it a key priority, he said.

If funded, the university is looking at a five-year planning process.

The plan is to locate the facility within 20 miles of the College of Southern Idaho in Twin Falls, but that will depend on land availability.