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Dairy

Farm Bureau breaks down costs for new Dairy-RP insurance

By CAROL RYAN DUMAS
Capital Press

A new dairy insurance plan by USDA became available Oct. 9 and offers a way to protect dairy farmer revenue — functioning in a manner similar to traditional crop insurance, as opposed to other dairy insurance programs aimed at margins between milk prices and the cost of feed.

Dairy Revenue Protection is designed to protect against quarterly declines in revenue from milk sales and is uniquely structured to closely match farm-level milk prices, according to American Farm Bureau Federation, which developed the product in cooperation with American Farm Bureau Insurance Services.

AFBF had provided information about how the insurance will operate, but one unanswered question was how much the insurance would cost.

The cost will vary based on the state, policy choices, markets, milk yields and contract quarters, but John Newton, AFBF's chief economist, has zeroed in on what producers can expect.

Newton gave examples of premium ranges in a recent AFBF MarketIntel report.

"In general, premiums under Dairy-RP will be more affordable for lower coverage levels and for more nearby quarters," he said in the report.



Capital Press File

Cows feed at a dairy near Kuna, Idaho. The new Dairy Revenue Protection insurance will protect farmers based on a variety of factors that will in turn dictate the premium.

"Premiums will get more expensive for deferred insurance policies such as the fourth or fifth nearby quarters because the uncertainty in the market is higher," he said.

Under Dairy-RP, a producer would choose either a class milk price policy or a milk component policy, the amount of milk production to cover, the level of revenue coverage to insure and which quarterly contracts to cover.

Based on the CME futures settlement prices on Oct. 4, Newton's examples of premium costs factor in a 44 percent government premium subsidy associated with covering 95 percent of expected quarterly revenue.

The class milk pricing option is based on a combination of milk futures prices for Class III and Class IV, milk used to manufacture cheese and powder. A producer can

choose a weight of Class III ranging from 0 percent to 100 percent to align with the utilization of milk in his marketing area.

Assuming a 50 percent class weighting factor, premium rates in Wisconsin would range from 13 cents per hundredweight of milk for a January to March 2019 contract to 26 cents per hundredweight for an October to December 2019 contract.

Premiums for a similar policy in California would range from 13 cents per hundredweight in the nearby quarter to 36 cents per hundredweight in the same deferred quarter.

Differences in premiums between states are due to different yield standards and the different degree to which yield shocks are correlated to shocks in prices, Newton said.

Group supports using dairy terms in labeling alternative foods

By CAROL RYAN DUMAS
Capital Press

The Good Food Institute, which advocates plant-based and lab-grown alternatives to animal products, has filed comments with FDA supporting the use of dairy terminology in labeling alternative foods.

FDA's standards of identity — including regulations for using dairy terminology, which FDA Commissioner Scott Gottlieb recently announced he intends to enforce — are part of what FDA wants to address in its new multi-year Nutrition Innovation Strategy.

Much of the discussion has revolved around the use of dairy terms on alternative dairy products such as almond milk.

GFI is calling for a "common-sense" approach that does not impede the introduction or sale of alternative foods.

"As more Americans show an interest in consuming plant-based foods, it is important that the channels of innovation remain clear for new plant-based products," GFI said in its comments to FDA.

New foods and foods adopted across the globe are proliferating the market, yet existing FDA standards of identity largely deal with traditional American food — often made from a limited set of traditional ingredients such as wheat, dairy and eggs, GFI said.

Historically, standards of



Associated Press File

The Food and Drug Administration is weighing whether and how to restrict the use of dairy terms such as "milk" in labeling drinks made from soybeans, nuts and other commodities.

identity have never been understood to prevent new products from referring to standardized terms in their marketing or labeling. They were mainly intended to address fraud and economic adulteration, GFI said.

"A new product with its own clear and distinct identity does not present such a risk. Yet some voices in industry have advocated for FDA to weaponize identity standards against innovative products, contrary to this historical understanding," GFI said.

It's pretty clear consumers of alternative foods understand what they're getting, Nigel Barrella, a private attorney who helped GFI formulate its comments to FDA, told Capital Press.

The government should not attempt to regulate common language consumers use to

identify these products, he said. The labeling issue didn't get much attention when soy milk was kind of a hippie food sold in health food stores, he said, but it became a bigger issue with the dairy industry when alternative milk products started taking a significant portion of dairy sales.

The issue has nothing to do with protecting consumers and everything to do with squelching competition, he said.

"We think it's anti-competitive and unconstitutional. It's almost Orwellian for the benefit of one industry that we're going to limit the term 'milk' to certain favored products," he said.

National Milk Producers Federation, however, said GFI's assertions are false.

NMPF has been raising these concerns since the 1970s, Alan Bjerga, NMPF senior vice president of communications, said.

"The difference now is that FDA is interested in picking this up," he said.

GFI's claim about "weaponizing" the standards to protect market share is overblown. It's about truth in labeling and transparency, he said.

Dairy has a health halo that makers of alternative products are trying to exploit for their own benefit. NMPF isn't saying anyone can or can't make those products, which sell fine in Canada and Europe where they aren't labeled "milk," he said.



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Siskiyou County Hi 4-H Helps Prepare Animal Owners For Evacuations



Siskiyou County Hi 4-H members presented their PEEP project at the California Focus conference.

Forest fires and other natural disasters are a concern for our communities. Many residents own pets and livestock, but may lack the agency resources to help with pet/livestock emergency evacuation.

Siskiyou County, Calif.'s Hi 4-H project wanted to help people prepare for emergency evacuations that included plans for pets and livestock.

To inform the public about how to prepare for a disaster, they created PEEP (Pet Emergency Evacuation Plan) pamphlets. The main objective is to inform and teach the public about how to keep pets and livestock safe in case of evacuation. They worked with Siskiyou County's Animal Control and used resources from the Office of Emergency Services (OES) in preparation for this project. They learned about important things to have prepared if animals need to be evacuated, and what to do if animals need to be left behind or let loose.

In the pamphlets, they included information about how to evacuate small and large animals, important items to have prepared in case of an emergency, and the importance of pre-planning.



PEEP brochure.

The pamphlets were handed out at the Siskiyou Golden Fair and a PDF version is available on Siskiyou County's Animal Control/OES website. They have also given presentations and supplied pamphlets to local 4-H clubs. They also gave a presentation at the 2018 California Focus conference hosted by the University of California 4-H Youth Development Program in Sacramento.

Our animals are counting on us. Hopefully, this project will help 4-H'ers and members of the community be prepared for future disasters. After completing this project, Siskiyou County Hi 4-H members gained knowledge about how to evacuate both large and small animals and recognize that it is animal owners' responsibility to make sure to have a plan for their animals. Don't forget your PEEPs in an emergency!



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