



# DAIRY VETERINARY NEWSLETTER

June 2009

## Senator and Former Secretary of Agriculture Comments on Political Issues and Regulations Affecting US Farming

Senator Mike Johanns of Nebraska, former governor and the previous U.S. Secretary of Agriculture until 2009, recently addressed the National Association of Farm Broadcasters. The opinions expressed here are his and are neither endorsed nor opposed by Utah State University. However, I think they are interesting coming from someone with his experience. Clarifications or updates that I wrote are in brackets. Some excerpts from his talk follow:

"Let me start out with something I think is absolutely key to the success of Agriculture—and I don't need to dig too deep here—and that is trade. I suspect you've heard me say this before, but it bears repeating: **96 percent of the world's consumers reside outside the United States.** We are truly a global marketplace. Every third row of crops produced in this country is sold in the international marketplace." [US dairy exports for Oct.-April 2009 totaled \$1.4 billion, down 42% from \$2.4 billion during Oct.-April 2008.]

"--Trade Promotion Authority – or fast track as it was once known -- expired about -- two years ago. I support giving it to the President, regardless of party. TPA is absolutely critical to negotiate trade agreements. -- There is a point in all negotiations, after months and months of work, when all the cards are laid face up on the table, when you reach across the table to shake hands on a deal. With TPA, it is then taken to the House and Senate for them to vote 'yes' or 'no' for it. It is not amendable." [As an alternative without TPA, trade agreements can potentially be amended by the 535 members of the U.S. Congress.]

**“Can you imagine reaching a trade agreement, with all the cards laid face up on the table, and the next statement you make to the negotiator on the other side, is that there are 535 potentials for further amendment in that trade agreement? Countries just won't deal with it.**

I hope the Administration gets aggressive about expanding trade, and TPA is a piece of it. Agreements like the one with Colombia must be dusted off and brought to the Senate and the House for approval. Rarely has there been a clearer case of leveling the playing field for our producers. Right now, almost all products from Colombia enter our country duty-free under previous trade agreements. Zero tariffs.

Our producers deserve the same duty-free access to the Colombian market. **Yet, some still face export tariffs as high as 40 percent.** The Colombia trade agreement would immediately eliminate tariffs on 80 percent of U.S. exports to Colombia. This includes many agricultural products like high quality beef, cotton, wheat, soybeans and key fruits and vegetables.

As markets expand, so does the number of products and niche markets. Last week, USDA announced that it will conduct the first-ever, wide-scale survey of organic farming in the United States. **The goal is to better understand how organic farming fits into the larger U.S. agriculture picture.** And I'm guessing by now we all know about the organic garden that has been planted at the White House. Plus, the area around the Whitten Building will apparently be transformed into an organic garden. I don't begrudge the Administration for their zeal for organic foods. There are consumers out there that share that zeal. **I have long been a supporter of innovative, value-added agriculture. If you can find your niche, great.** In fact, as Secretary of Agriculture, I supported a number of organic farming initiatives, including increased funding for the Organic Cost Share Program to offset certification costs which can be burdensome. **But, the President and USDA must support all of agriculture. Conventional agriculture and organic farming are not mutually exclusive.**

**Today is a good opportunity to urge the Administration not to let their fervor for organic production cloud their judgment regarding the production methods for traditional crops.** Traditional farming and ranching operations are the backbone of agriculture in the United States. Fertilizers, pesticides, and modern plant and animal genetics help our farmers and ranchers fight disease, attack insects and pests, ensuring a safe and abundant food supply. These hard-working Americans literally feed the world, and play an increasing role in our energy security.

It is fine to romanticize that farming should return to its agrarian beginnings—where every farm family owned a few acres, a dairy cow, a couple pigs, and a chicken coop, **but it is far from realistic.** To put it into perspective, consider these facts. According to USDA's last census of agriculture in 2007, **of the 2.2 million farms in this country, more than 99 percent are engaged in conventional farming practices.** USDA's Economic Research Service also reports that **over 96 percent of the food in this country is produced on commercial farming operations.**

I'm as tempted as anyone to hearken back to the days of the farm I grew up on, a quarter section. A dozen sows farrowed at a time, thirty cows, bottled calves. Train them how to drink out of a bucket. I have a little statue on my coffee table in my office of a young farm boy feeding a calf with a bottle. Man, what a life. What a great way to grow up.

**But the world does change, and farming has gotten better, and better, and better.** No-till farming, integrated pest management, and field buffers are not foreign concepts to our farmers. According to one report, farmers currently use reduced tillage practices to prevent soil erosion on 72 million acres, and they maintain over 1.3 million acres of grassland.

We do agriculture the best of any place in the world, and I've been around the world many times. We cannot afford to enact policies or neglect agriculture in a way that minimizes the importance of this very important piece of our economy, and its importance in feeding the world.

There is another issue which will continue to demand our full attention, - - cap-and-trade legislation. To say that this proposal would be very costly for agriculture is an understatement. - - **just how much it is going to cost farm families?** Fertilizer costs will sky-rocket, natural gas costs to dry grain will increase, and diesel prices to fuel tractors and combines will jump. The cost of corn production in Nebraska would go up by \$40-80 an acre, which means higher input costs for livestock production as well. A farm family's pocket book can only stretch so far.

That's why, during the budget debate, I asked the Senate to vote twice to ensure that cap-and-trade legislation would not be slipped into law using budget maneuvers. Both of those attempts passed overwhelmingly with bipartisan support – almost 70 percent of the U.S. Senate. And yet, I report to you today the amendment was blatantly omitted from the conference report. It appears nowhere. The door has been re-opened to pass sweeping climate legislation through a shortcut budget process.” [According to Harvard Economics Professor Greg Mankiw, as of June, 2009 the cap-and-trade bill (sometimes also called the energy bill) is now 900-plus pages and “also contains regulations on everything from light bulb standards to the specs on hot tubs, and it will reshape America's economy in dozens of ways that many don't realize.”]

“Additionally, the - - EPA recently issued a proposed rule to declare that greenhouse gas emissions should be treated as air pollutants under the Clean Air Act. **This EPA proposal could have devastating consequences for livestock producers because cattle emit methane, one of the gases EPA proposes to regulate.** With ever-increasing costs of production, this puts farms at risk. In fact, according to the American Farm Bureau Federation, if the EPA moves forward with this regulation, it will cost a medium sized dairy farm with 75 to 125 cows up to \$22,000 a year. It could cost a medium-sized beef cattle farm with 200 to 300 cows \$27,000 a year.

To fend off this potentially damaging action by EPA, I have co-sponsored S.527 with Senator Thune, to prevent the regulation of naturally occurring livestock emissions, including methane and carbon dioxide. This legislation, I think, is just a common sense approach.” [According to the most recent information I could find, there is no action on this bill which now has many other co-sponsors, and this issue is not resolved.]

“Another example of an agenda that may not be in step with American agriculture -- **producers may now have to file for a permit from EPA if they want to apply pesticides.** In January, a court overturned the normal practice which ensured that pesticide applications were okay as long as they complied with FIFRA (Federal Insecticide, Fungicide, and Rodenticide Act). It now appears that pesticide applicators will be subject to permit requirements under the Clean Water Act. Additional permitting is inefficient, unnecessary, and inappropriate for agriculture. We all know that bugs and weeds aren't going to wait for a permit from EPA.” [As of June, 2009 the Sixth Circuit Court of Appeals has granted the EPA's motion to stay the mandate until April, 2011 because they do not have the resources to administrate the permit application and issuing process.]

"On the campaign trail in Iowa, then-candidate Barack Obama promised to hold a Presidential summit within his first 100 days to discuss the challenges facing rural America. Additionally, he promised to deliver a package of rural initiatives to Congress in his first 100 days as President. Well, today we hit the 100-day mark and, no summit, no grand rural agenda.”

Again, this is not intended to be political commentary from myself or USU. **However, this information shows the continuing pattern that our society is fed by a very small part of the population, including the dairy industry. Regulatory and financial decisions with large potential impact on dairy farming and other farming are made with less and less of the population involved in or informed about agriculture.** Veterinarians should stay involved in these issues and be sure to let your elected representatives know about opinions you may have.

**“Exclusive insight into animal ID”, a story from Dairy Herd Management magazine**

Recently, *Dairy Herd Management* reported on the release of the USDA’s Animal and Plant Health Inspection Service “Benefit-Cost Analysis of the National Animal Identification System.”

Overall the APHIS report is a good study, says Robert Fourdraine, chief operating officer of the Wisconsin Livestock Identification Consortium. “However, they had to limit the various options of how a system can be implemented or the document would have been 4,000-plus pages. Therefore, the authors selected the more expensive alternative so we could see what the cost would be on the high side of the equation.”

**There are various programs already available in the dairy industry that, with some small changes, can be compatible with the National Animal Identification System and cut down on the cost cited in the study and still provide a high level of traceability, he adds.**

Fourdraine reminds dairy producers to keep the following points in mind:

- In the introduction to the study, it is noted that the cost is annualized over a 10-year period. Therefore, the start-up cost for the first year of implementation would be higher than the subsequent, on-going expenses.
- The assumption of the study (on the cattle side) was that only radio-frequency ID (RFID) ear tags would be used and readers would be needed to read the tags. Tag prices have come down since the study was done, and so have the prices for tag applicators.
- The study assumes producers would purchase readers or pay another party for using reader services. However, there are other options that work just as well, without the producer needing a reader, Fourdraine says. For example, cross-referencing the animal-identification number (AIN) with a herd-management number printed on the RFID tag allows the producer to work with the herd-management number without needing to also use the 15-digit AIN number.
- The dairy cow analysis in the study was conducted similar to the beef cattle analysis; therefore, in most cases, over-estimating the cost to the average dairy producer. In the dairy industry, the DHIA and breed registries have established a recording system that already encompasses more than 50 percent of the dairy cattle in the U.S. With DHIA involvement in more than 50 percent of the dairy cattle, there would not be a need for readers on the farm. Likewise, this also would cover some of the cost associated collecting movement data. “As we have found out through our WLIC-DHIA project, DHIA technicians already can read the tags and report movement as routine herd testing, thus cutting down on the cost to producers,” Fourdraine says.

- Most dairy producers already use some form of visible ID. Therefore, the cost of tag application mentioned in the study is a duplication of something that's already included in a dairy operation's management.
- **There are many benefits to using the RFID AIN ear tag on a dairy, beyond the use in a national animal identification scheme.** Parlor, sort gates, electronic herd management recording systems, scales and now feeding systems for calves can all work with the RFID AIN ear tags currently available. In addition to DHIA, genetic programs and breed registries all can work with this one number.
- Widespread use of an AIN ear tag would make implementation of country of origin labeling much easier. Since the country of origin is visible on the animal itself, the need for paperwork to be maintained by the producers and livestock industry is eliminated. These savings were not included in the analysis.

Three years ago, the cattle species group laid out several ways to reduce the costs of cattle industry implementation, explains Fourdraine. Some specific measures that can be taken to reduce the overall implementation costs of NAIS include:

- Focus efforts for animal ID on those animals at greatest risk. For example: ID breeding cattle and cattle moving into commerce at places of co-mingling.
- Focus on movements of greatest concern and risks of spreading disease (interstate movement or co-mingling at a livestock markets or shows).
- Record animal movement by the receiver, thus eliminating the need for the person selling the animal to report any information.
- Since start-up cost is the highest, it was proposed that USDA provide cost-sharing of ID devices to producers and subsidize the installation of data recording infra-structure at livestock markets and processing facilities to offset these initial implementation expenses.

As always, I like to hear from our readers, including suggestions for future topics. I can be reached at (435) 797-1899 M-W, (435) 797-7120 Th-F or [David.Wilson@usu.edu](mailto:David.Wilson@usu.edu).

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