President's Letter Al Squire February, 2015

2015 is apparently going to be a very challenging year for the entire dairy industry. How we NM producers fare will probably become apparent over the course of the next several months.

Challenge #1 – Milk price heading for about half to 2/3's of what it was last year.

I guess most of us are income averaging to be able to get through the negative margins expected for early 2015. Looks like we will have an early test of the applicability of the "safety net" of the Margin Protection Plan portion of the Farm Bill.

Challenge #2 – Animal handling guidelines.

DPNM Animal Abuse Subcommittee of Phil Troost, Charlie DeGroot, Jason Goff, Luke Woelber, Dr. Ben Werkhoven, of Bovine Vet Services, my son Bill Squire and myself met with Robert Hagevoort recently to give comments about what constitutes animal abuse and what should be done about it. It's clear that we as an industry have a lot of work to do educating consumers, dairy workers and dairymen so that we all can feel comfortable that we are doing what we can to have clear guidelines of animal handling.

<u>Challenge #3</u> – Court ruling that Yakima dairies manure can be considered a pollutant under the RCRA Act and Clean Water Act.

This action if upheld could signal serious consequences for dairies and other animal agriculture as well as row crop farms anywhere in the country that apply nitrogen to their fields. We all need to be involved in this discussion.

Challenge #4 – Our ongoing agriculture worker labor crisis.

The President's "amnesty" program did nothing to help bolster the number of dairy workers. In fact, many have said that it will probably be detrimental to our labor force. Bill and Linda visited a robotic milking, robotic feeding dairy in Illinois last year. This might be necessary sooner than you think.

It's hard to say which of these 2015 challenges could emerge as a major "game changer" for New Mexico dairymen. Hopefully none of them.

I would like to take this time to thank Beverly, Kaye and Susan for their hard work and efforts in taking care of Dairy Producers of New Mexico. We appreciate all you do.