

IDAHO DAIRY FOCUS

Second Quarter 2019

MORE ABOUT THE **LATINOS IN
ACTION PROGRAM** ON PAGE 8

**SUMMER SAFETY ON THE
DAIRY FARM** PAGE 5

IDAHO **IDA**
dairymen's association

Protecting Idaho's dairy industry through environmental,
legal, and legislative leadership since 1924.

TABLE OF CONTENTS

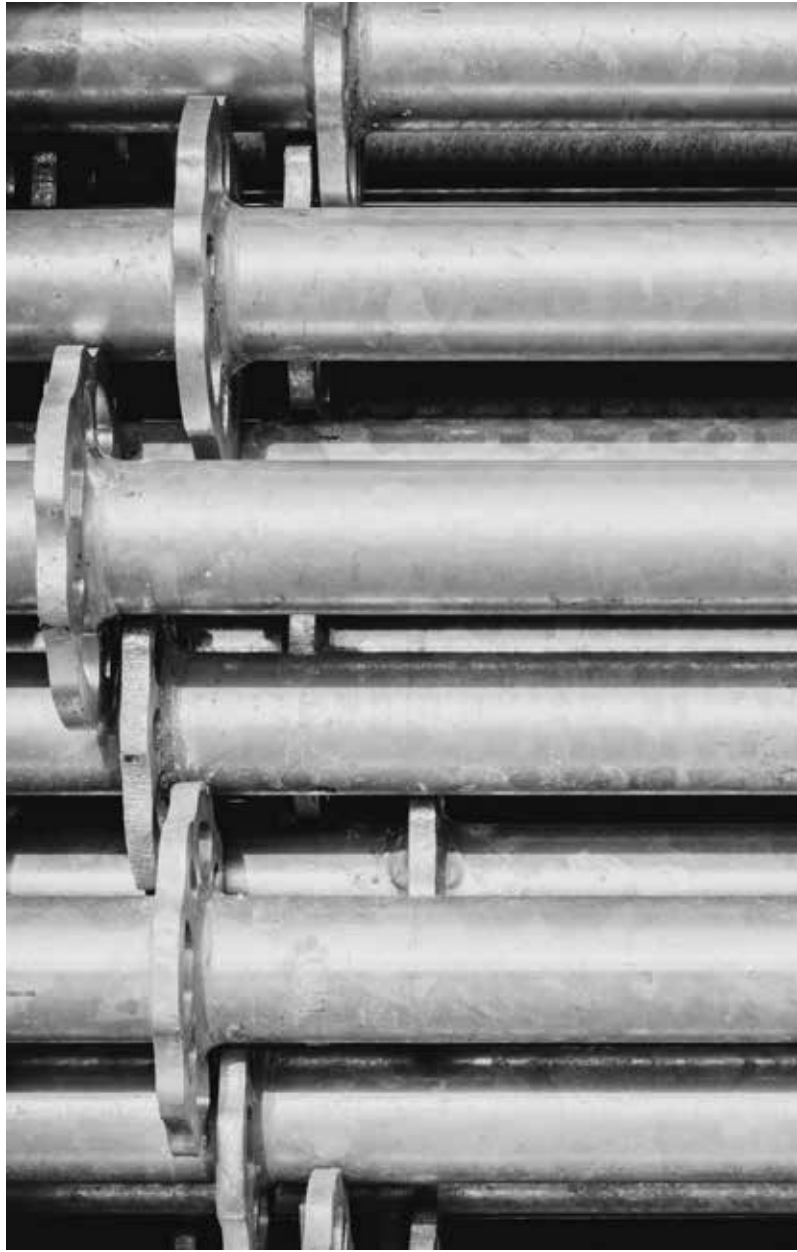
02	FEDERAL DAIRY ISSUES UPDATE Charlie Garrison <i>The Garrison Group LLC</i>
05	SUMMER SAFETY Ryan DeWit <i>IDA Consulting Services, Inc.</i>
08	LATINOS IN ACTION Amy Madrid, Jose Lugo
11	6 WAYS TO CAPITALIZE ON THE RECOVERING MARKET Pete Jones <i>Frazer, LLP</i>
13	DAIRY REVENUE PROTECTION Zach Bowers <i>Rice Dairy LLC</i>
15	AGRONOMY FORMS KEY COMPONENT OF U OF I CAFE Bill Loftus <i>University of Idaho</i>
17	EPA CLEAN WATER ACT INSPECTIONS: THIS IS WHAT WE LEARNED Megan Satterwhite <i>IDA Consulting Services, Inc.</i>
19	AGRICULTURAL STORMWATER EXEMPTION IN THE CLEAN WATER ACT Tanya Oldham <i>IDA Consulting Services, Inc.</i>
21	FREE CITIZENSHIP DAY
22	DAIRY SAFETY Willie Bokma <i>IDA Board Member</i>
23	SECRETARY PERDUE ANNOUNCES NEW DAIRY MARGIN COVERAGE SIGNUP BEGINS JUNE 17
25	FARM SAFETY MANUAL Ryan Dewit <i>IDA Consulting Services, Inc.</i>

FEDERAL DAIRY ISSUES UPDATE

Charlie Garrison *DC Lobbyist*

TRADE WARS IMPACT THE U.S. DAIRY INDUSTRY

International trade is dominating the policy discussion in Washington, D.C. these days as most of us in agriculture are feeling the effects of current disputes with countries that are key international customers for U.S. farm products. Just days after news reports quoting Administration sources saying a deal with China looked to be close, the White House said China wanted late changes to provisions already agreed upon. The White House sharply increased the tariffs already in place on many goods from China in response.



Then President Trump announced an end to the U.S. tariffs on steel and aluminum imports from Canada and Mexico. The U.S. dairy industry cheered that move since it would result in the removal of the retaliatory tariffs on our cheese imposed by those countries. Those developments also signaled the beginning of official consideration of the new U.S. - Mexico - Canada Agreement by national legislatures in Ottawa and Mexico City. The White House

even sent preliminary notice to the U.S. Congress that the USMCA could be sent to Capitol Hill for official consideration in as few as 30 days.

Then came the announcement of a new 5% tariff on all imports from Mexico beginning on June 10th unless the government there did more to try to stop the flow of immigrants from Central America crossing through that country to enter the U.S. without proper authorization.

The White House plan was to increase those tariffs 5% each month to a maximum of 25% if Mexico failed to respond. That immediately sparked a series of high-level diplomatic meetings in Washington, D.C. this past week.

Fortunately, diplomats reached an agreement that headed off the new tariffs scheduled to go into effect on June 10th. The fact remains, however, that politicians in trading partner countries recognize the level of support the President received from rural America in 2016, so it's products from rural America that are targeted when disputes like this arise. We're experiencing the same situation now with China. None of the tariffs the U.S. has applied to imports from China are on agricultural products. Yet China's retaliatory tariffs are placed on many of the farm goods they buy from us.

Recognizing the pain these trade wars have caused, the USDA has announced that up to \$16.1 billion will be made available for more trade mitigation payments to producers, food purchases and donations, and foreign market development assistance to organizations already engaged in building exports. Three rounds of payments are anticipated. The first in July, the second this fall, and the third one early next year. Dairy payments will be based on production history while many other commodities will see mitigation tied to current

production. Beyond that, few details have been announced.

IDA continues working with the state's congressional delegation to ask them to encourage the White House, our trade negotiators, and the USDA to work to resolve the trade disputes quickly and let Idaho's dairy producers, processors, and exporters get back to business with our international customers.

IMMIGRATION REFORM

Discussions continue in the U.S. House of Representatives to try to draft a bipartisan bill that would provide effective reform of immigration laws and the farmworker visa system for Idaho's dairy producers. Legislation is required since the only agricultural worker visa program, H-2A, requires both the worker and the job to be temporary and seasonal. Regulatory reform of H-2A cannot offer legal status to the current workforce and cannot provide legal new workers for year-round jobs.

Congressman Mike Simpson has taken a leadership role in negotiations for a potential agriculture worker reform bill in the U.S. House of Representatives. IDA thanks him for his work on behalf of Idaho's dairy industry and for the time he and his staff are devoting to coordinating with their colleagues in other congressional offices on the need for reform legislation that works for dairy producers, their workers, and their families.

PROGRESS ON SCHOOL MILK

The School Milk Nutrition Act of 2019 was introduced in the U.S. House of Representatives this week. This bill would enact into law the action taken earlier by USDA Secretary Sonny Perdue providing schools the option of serving flavored 1% milk along with non-fat flavored and non-fat and 1% white milk.

The bill would also require that milk varieties offered in schools be consistent with the most recent Dietary Guidelines for Americans. This provision could be especially helpful if the new Guidelines due out next year catch up to the growing scientific consensus that milkfat can be included as part of a healthful diet that can help reduce childhood obesity.

The announcement of the introduction of the bill pointed out that **from 2014-2016, schools served 213 million fewer half pints of milk** while school enrollment was growing. Children over the age of four typically fall short of the recommended daily servings of dairy and allowing the consumption of low-fat flavored milk has the potential to positively affect that trend.

Both Congressman Mike Simpson and Congressman Russ Fulcher are cosponsors of this bill. IDA had the chance to thank them both for their support during visits to their Washington, D.C. offices this week.

THE DAIRY PRIDE ACT

The two-prong approach to ending the misuse of standardized dairy terms on labels of plant-based products continues. The U.S. Food and Drug Administration (FDA) effort to modernize its regulation of food product label terms and claims is ongoing. The original timetable for completion was sometime this summer. The recent resignation of the former FDA Commissioner who famously said "I'm pretty sure almonds don't lactate" when asked about improper use of dairy terms on labels may slow that regulatory review down somewhat. The agency should be able to complete its work on the subject but the announcement of a decision might wait until a new Commissioner has been nominated by the White House and confirmed by the U.S. Senate.

U.S. Senate and House bills known as "The Dairy Pride Act" that would require the FDA to enforce dairy standards of identity for package label terms have been introduced. Idaho remains the only state with 100% of its delegation signed on as cosponsors. Senator Jim Risch is a lead sponsor and Senator Mike Crapo is signed on as well. Congressman Mike Simpson is a lead sponsor in the House and Representative Russ Fulcher is signed on too. IDA thanks them for their strong support on this issue of basic fairness to Idaho's dairy producers and processors.



SUMMER SAFETY

Ryan DeWit Dairy Worker Training & Safety Director

The summer is always a busy time. Fieldwork needs to be taken care of, there are projects around the farm, different vacations, and let's not forget – the kids are out of school. This is a good time of year to get a lot of work done, given the good weather and the extra help. However, there are many additional risks on the farm during this season. The three topics I wanted to elaborate on are heat exhaustion, kids working/playing on the dairy, and having fire extinguishers handy. I encourage you to hold a quick employee meeting to discuss some of these points relevant to your dairy. Also, don't forget to have a sign-in sheet to document your training.

HEAT EXHAUSTION & SUNBURNS

There are many heat-related injuries that could occur, especially during hot summer days. Whether you are an adult working under the sun or a child playing in the backyard or by the farm, it is important to be aware of heat-related injuries that could dampen your summer.

Sunburns and heat-exhaustion are just a few of the injuries one could suffer if their body is exposed to high body temperatures or the sun. To avoid a sunburn, one should wear clothing that will cover their skin, such as a long sleeve shirt, a hat, and sunglasses. He/she should also use sunscreen and reapply as needed to avoid sunburns

in areas they cannot cover with clothing. The short-term effects of a sunburn may not seem bad, but over-exposure is associated with a higher risk of developing skin cancer.

When it comes to heat-exhaustion, one should be sure to drink plenty of fluids (water or sports drink) and take breaks in cool and shaded areas when needed. Heat exhaustion is a dangerous physical state where the body essentially overheats. Just like a vehicle, overheating will cause the body to break down. The symptoms for heat exhaustion are listed at the following link and at the bottom of this page.

<https://www.cdc.gov/disasters/extremeheat/warning.html>

If you or another person may be experiencing heat exhaustion, move to a cool place, loosen any clothing, drink water, and reduce the body's temperature with a cool bath or wet towels on their body. If throwing up ensues or if symptoms are prolonged and get worse, seek immediate medical attention. Heat exhaustion may lead to a heat stroke – a much more serious and life-threatening condition that requires immediate medical attention.

For more information and resources related to the warning signs and symptoms associated with heat-related illnesses, please refer to the **Centers for Disease Control and Prevention** online or reach out to us.

SYMPTOMS OF HEAT EXHAUSTION

- » Heavy sweating
- » Cold, pale, and clammy skin
- » Fast, weak pulse
- » Nausea or vomiting
- » Muscle cramps
- » Tiredness or weakness
- » Dizziness
- » Headache
- » Fainting
- » Passing out

CHILDREN ON THE FARM

As mentioned, the summer season means kids are out of school. In my experience, that meant cleaning water troughs and painting fences all summer. As I grew older, it was learning how to work a milking shift, treat the hospital pen, and drive equipment. (Of course, that was only when my brother and I were not playing in the cottonseed pile, racing the go-cart around the dairy, or whatever else our young minds thought of.)

In a work hard/play hard time of year, I encourage dairymen to keep in mind the risks or liabilities of kids working/playing on their dairy this summer. This goes for your own kids, hired summer help under the age of 18, and employees' kids that they bring to work. The list below has points I recommend you consider discussing with your team.



EMPLOYEES

- » Always be aware of children in the area when driving/backing up large equipment
- » Watch out for kids playing in areas they shouldn't
- » Help someone if they are struggling doing something unfit for their age
- » Keep hydraulics disengaged and equipment stored in lowest position (i.e. loader buckets)
- » Treat all kids as you would your own
- » Model safe behavior

KIDS (WORKING OR PLAYING)

- » Ensure that the dairy is not a playground during working hours (i.e. commodity barn during feeding hours)
- » Are you assigning tasks or chores appropriate for their age, ability, and maturity?
- » Enforce the "No Extra Riders" rule on machinery
- » Educate kids on different dangers that exist
- » Consider having 'working youth' wear high visibility vests when on the dairy
 - » *The dairymen I have discussed with that enforce this policy love the increased awareness in children and employees!*



FIRE EXTINGUISHERS

We all know this time of year is common for uncontrolled fires to break out. They can start easily, spread rapidly, and cause severe damage. Megan and Steph, from IDA's staff, came across one on their way to a dairy last year. Luckily, they were able to help control it and call emergency responders before anything serious came of it! On that note, this is a good time of year to be sure fire extinguishers are accessible and inspected. It is best practice to have them in rolling equipment, service trucks, shops, hay barns, etc. A little preparedness can save people and property.

Summers can be the best time of the year to spend learning new responsibilities, new tasks around the farm, and are perfect for making memories. These are just the highpoints when it comes to discussing farm safety with your employees and children. Just be sure to take a safety-first approach, so you may pass down fun memories and experiences for generations to come. Have a great summer and reach out if you have any questions or would like to schedule a training!

Ryan DeWit 806.265.5390



LATINOS IN ACTION

Amy Madrid Gooding High School
Jose Lugo Jerome High School

WHO WE ARE. Living in a time of racial tension, along with the desperate attempt to improve the education of students, it is common to see the negatives and think there is no hope in the pursuit of finding a solution. But through what seems to be an unlikely partnership, there are people who have come together to perhaps find some even ground.



Latinos In Action is a nationwide leadership organization teaching high school students how to become effective leaders while serving their local communities and preparing them for post-high school education. Latinos in Action empowers young adults to capitalize on the strengths of their weaknesses, while cultivating the importance of taking pride in their cultural background.

While we are considered a multicultural class, most of our Latinos in Action classes are comprised of Latino students. We have students with roots in Mexico, Puerto Rico, Spain, Iraq, Guatemala, England, Portugal, Italy, Germany, and the United States. Several of our students live and work on our local dairies.

At Gooding and Jerome High School, the program has shown incredible results and is already promising to grow in the state. Latinos in Action has been running ten years strong at Jerome High School. The 2018/2019 school year was Gooding High School's first year with Latinos in Action, yet we won Rookie School of the Year at our region's annual LIA leadership conference. Gooding and Jerome High School have been the first schools in the country to offer LIA as a dual credit course. Teaming up with the College of Southern Idaho to make this happen was very rewarding for our 50 students this year in

LIA. Additionally, **22 of 25 of our graduating senior students have been accepted to colleges and universities**, and over \$125,000 scholarship dollars were awarded to our Seniors between both Gooding and Jerome High School. Three of our other senior students found jobs in the workforce as a result of the job-shadowing assignment in our class.

WHAT WE DO.

Each student is required to complete 50 hours of community service each semester, and 50 over the summer, totaling 150 hours in one year. Gooding and Jerome LIA tutor at the local elementary schools during the school year where we read with students to promote literacy. We help at the elementary school carnivals, assist where needed during parent-teacher conferences, translate around our communities, babysit for working and/or single parents, and help with children during migrant parent meetings. We help the local fire departments install smoke detectors when necessary, and whenever we hear a community member in need, LIA is always there to help.

Jerome and Gooding High School Latinos in Action also host several fundraising events to support our ability to attend leadership conferences, bus to our local elementary schools,

and to have funds available for families in need. For example, we host color runs, the Fall Homecoming dance, car washes, yard sales, and several smaller fundraisers such as selling paletas and duros.

As a student of this program, I can testify to the amazing things Latinos in Action has done for our community here in the Magic Valley. Even more so than that, the program has done a great amount for the students involved in it.

WHY WE DO WHAT WE DO.

Beyond the success we have had with the program, it is the cultural impact that has truly made the difference. Being a state that is heavily populated with Hispanic immigrants, the need for representation is a high priority. And who better to represent the Hispanic community than the youth that will someday be leaders? This is where a strong connection begins to form.

In Latinos in Action, we are all a famiLIA. We strive to have a safe environment so we can express thoughts, feelings, and ideas. We help one another with our struggles. We push each other to become better leaders and achieve our goals. Having this class has opened our eyes to our future possibilities, seeing our dreams painted on a beautiful,

diverse canvas. Latinos in Action has empowered all of us to be leaders - leaders who will one day lead this country, and change our local industries for the better.

OUR VISION FOR THE FUTURE.

As we have discovered our own talents and abilities, we've noticed our tutees looking up to us, and one day wanting to be like us. As we continue to work hard and fight for our future, we want to teach our local youth to stand up and be effective leaders. We want to teach the next generation how to lead in their future workforce, and see how important education is from an early age. We also want

to continue to partner with those individuals and organizations who believe in us.

Idaho is a state of agriculture and the dairy industry plays an immense role in that. It is almost stereotypical that Hispanic immigrants make up most of the workforce for these dairies. Politics aside, these workers are essential to the success of the dairy industry in Idaho. Which is what makes immigration a strong point of discussion for the people in charge of these dairies. ***The Idaho Dairymen's Association has been a strong supporter of immigration reform and has put forth political and financial efforts for***

creating change in the lives of their workers. And now the Idaho Dairymen's Association has not only given support to their workers, but they have also given support to the sons and daughters of their workers in the form of creating a relationship with the newly established Latinos In Action program here in Idaho. This not only means the world to every single FamiLIA member, but it also means we are all now one bigger FamiLIA. We will only grow from here, as the dairy industry leaders shake hands with the Hispanic children of their workers. Children will soon become adults and finally manifest the dreams their parents have sacrificed so much for.



To learn more about Latinos in Action, please visit latinosinaction.org or feel free to visit our LIA classrooms!

6 WAYS TO CAPITALIZE ON THE RECOVERING MARKET

Pete Jones CPA, Frazer, LLP

The dairy industry, probably more than any other industry, experiences drastic swings in input costs and pay prices. As of the date of this article, we've experienced a four year run of depressed commodity prices. Oversupply in the milk markets, government interference, increasing operating costs, and tightening labor have made it difficult to do business in Southern Idaho and across the Western United States.

That is starting to change, and today there is an optimistic attitude among producers and associated industries. Market conditions are great for a recovery where producers can realize profits and make up any ground lost. This article is written to provide ideas for capitalizing on today's market to adapt your operation to ride out these market fluctuations.

I

Gain an understanding of your breakeven milk price and cost of production and what factors drive these numbers.

Costs of production often rise with milk prices. Meet with your management team, including your CPA, and determine if this applies, and if it should.

Are these increases needed repairs that were foregone when times were tight, or do they indicate loosening controls over costs?

II

Set goals for debt reduction, and knock down short-term debt.

Many producers use operating lines of credit, and pay downs on these lines are almost the same as cash in the bank. Calculate current ratios and set goals related to total debt to assets or overall loan to value on your operating loans and lay out the financial framework to achieve these goals.

III

Structure financing appropriately.

Too many times producers will use current cash flow for capital improvements when times are good. This results in depleting working capital and the "cushion" for the next downturn. Consider term loans for any large purchases such as capital improvements or equipment instead of paying for these from the operating line. If necessary, refinance debt when times are good – it's a lot easier to borrow money when you don't need it.

IV

Focus on the top line.

Production (or lack thereof) can drive cost of production and your breakeven milk price more than inefficiencies in operating costs. Meet with your management team, including your CPA, vet, and nutritionist to ensure you are getting the most out of your cows. Investments in nutrition, cow comfort, and herd health can sometimes pay for themselves in less than a year.

V

Look for ways to decrease cost of production through other efficiencies.

Using robotic milking systems, solar panels or feed and commodity centers are examples of ways to slow rising operating costs. While there are many assumptions that go into determining if a capital expenditure project is right for your operation, there are a lot of known variables. Calculate the payback period of the project, the effect on your loan to value, and the net present value of the project, and ensure it works for your operation.

VI

Set up profit protection hedging strategies.

It's emotionally difficult to lock prices in rising markets, but by using hedging strategies such as put options, including the Dairy Revenue Protection program, you can hedge against price declines but keep your upside. Similarly, locking prices or hedging price increases on input costs such as feed and power can help mitigate volatility. Hedging strategies can be expensive, and no one should try to "time the market", but they can be a powerful tool to mitigate risk when used consistently.



We'll never get completely out of the cycles inherent in the dairy industry, but by using these tools we can mitigate the impacts of the ups and downs and achieve profitability or minimize losses when times are tough. Engaging your entire management team, including your lender and CPA, can help your business thrive in the good times and maintain profitability when times get a little tighter.

DAIRY REVENUE PROTECTION

Zach Bowers Rice Dairy LLC

In October 2018, the government rolled out a crop insurance for dairy that has the optionality to work for the smallest to the largest dairies in the U.S. and every dairy in between. Time and time again with reworking MPP (now DMC and LGM), they tried to come up with a one-size-fits-all insurance solution for dairy much like they've had for years in other commodities. The problem is that dairy is arguably one of the most complex pricing systems of any commodity, between all the different federal orders, pooling and de-pooling of milk, and the most hated three letters in dairy: "PPD," the milk pricing system, is nonetheless complex. Then steps in Dairy Revenue Protection: an Insurance Plan that, to many seasoned hedgers, looked a lot like the puts they use on the exchange (CME) every day.



RICE DAIRY

Zach Bowers is a registered Associated Person with Rice Dairy LLC, a registered Introducing Broker. Zach Bowers is also a licensed insurance agent with Rice Dairy Risk Services LLC, a licensed insurance agency in the following states: AZ, CA, CO, FL, ID, IL, IN, IA, KS, MA, MD, MI, MN, MO, MS, NC, NE, NV, NM, OH, OR, PA, SD, TN, TX, UT, VT, VA, WA, WI.

So how does the Dairy Revenue Protection (DRP) work? Every day the CME price settlement happens at 1:10 pm CST. Between then and 4:00 pm CST, the USDA publishes the coverage price and the premium for each Coverage. When you purchase coverage, you are buying a minimum price on your milk for a quarter. You can purchase up to 5 quarters out in the program via Class III, Class IV, Components or any combination of the three depending on how your milk check is priced. Coverage price is determined by the level of coverage you purchase, 70%-95% of the current futures price settlement. Pick the amount of your production in the quarter you would like to cover matched with the level and quarter you choose and you're good to go. One thing to note is that this is Revenue protection, and that comes from the milk prices you protect times a statewide/region "yield factor" calculated at the end of each quarter (measures the difference between the RMA's forecasted state avg milk/cow and the actual from the NASS milk production reports). The premium due on a 95% coverage price endorsement has a 44% subsidy, with money not due until after the quarter! Due to great

flexibility on pricing, the subsidy, and the cash flow friendliness, the program has not only benefited those who already have had strong risk management plans on the CME but also appears to be bringing many new dairies to the milk price risk management plate who, for an assortment of reasons, have struggled to effectively manage their risk using the tools available prior to the launch of DRP.

As of Mid-April 2019, about 7 months into the program, almost 22.5 billion lbs of milk have been hedged through the program. I think there are a couple of big reasons why this program has been such a success. One, we are in going on our fourth year of depressed prices and dairies are in dire need of an affordable way to protect the bottom line. With a 44% subsidy, not due until after the quarter, making it easy to cash flow all while putting a floor on the underlying driver of your milk price with all your upside, it just makes sense. Besides subsidy caps, one of the biggest issues with previous programs was that the price wasn't truly catered to the way you are paid. Whether it was an all-milk price that had nothing to do with you or a margin based off feed you've never fed, it just

didn't mirror the dairy the way it needed to in order to be effective. With DRP, the biggest decision you need to make and go over with your agent is the type of coverage you should be purchasing: Class III, Class IV, or Component. The most effective way possible to use the program is to mirror the milk check the best that you can. This way when the milk check is down, your insurance can kick in and when your check is up you are just paying the premiums.

DRP has changed the game in hedging for dairies. It's no longer just for the large cash-heavy dairies who can use the exchange nor is it just an insurance program that benefits the smaller farms. In a time where we need to be able to protect our bottom line more than ever yet still allow for every penny we can when this market turns around (and it will), DRP came at the perfect time. If you haven't looked into Dairy Revenue Protection yet, I would highly encourage you to sit down with a trusted advisor on this and see how it can help your operation. If you are currently using it as a hedging tool in your risk management plan, always remember that, just like any other insurance, a bill for premium is better than an insurance payout!

AGRONOMY FORMS KEY COMPONENT OF U OF I CAFE

Bill Loftus Science Writer, University of Idaho



Agronomy is agriculture in many people's minds. Growing wheat, potatoes, sugar beets, hay and the multitude of other crops is farming. Ranching is cattle on the range.

Many people visualize a dairy farm as a wood barn surrounded by pastures. However, anyone familiar with modern dairying knows that agronomy is a critical component

of milk production. More than one million acres of irrigated agriculture in the Magic Valley include crop rotations consisting of barley, alfalfa, corn, sugar beets, potatoes, beans, and cereal crops. There is extensive interaction both as source of animal feed and nutrient management.

The **Idaho Center for Agriculture, Food and the Environment (CAFE)** took a major step forward recently with the collaborative purchase of property near Rupert by the Idaho Dairymen's Association and University of Idaho College of Agricultural and Life Sciences.

The site of the CAFE research dairy near Rupert is a unique 640-acre parcel, ideal for investigating sustainable irrigated agriculture in a semi-arid environment that will support a 2,000-cow operation.

The U of I plans to run CAFE like a commercial farm and support research and demonstration experiments. CAFE will enhance University of Idaho Extension outreach and education missions with field days, class field trips and student internships, and research.

One key aspect of the dairy's construction and operation will include gathering baseline information about the soils at the Rupert location, which have not been farmed as part of a dairy operation.

U of I soil scientists are already collecting hundreds of soil samples from the location to gather a comprehensive understanding of the site. They will continue to sample the soils to track how farming methods affect fertility, nutrient management, and other changes. Maintaining soil health (and defining this concept) will be central to the outcome of this project.

Their work will form the foundation of what researchers in the College of Agricultural and Life Sciences hope to accomplish with CAFE. They are currently planning a 30-year-long research project that will use technology to monitor weather conditions, record and interpret a wealth of data, and transfer the relevant information to producers.

To help measure long-term sustainability of farming practices, researchers will

monitor air and water. The project will maintain four hectares (*or about nine acres as a reference*) and another four hectares of non-irrigated area in clean fallow.

The ultimate goal is to help dairies and farmers plan nutrient management to protect soil fertility for the long run. Knowing when and how to apply dairy manure to achieve maximum production while preventing nitrogen or other nutrients from creating problems will help agriculture and the community as a whole.

CAFE researchers plan to study the broad nature of the region's agriculture. In keeping with the collaborative nature of CAFE, the research plan includes anticipated involvement from faculty and students from BYU-Idaho and from the College of Southern Idaho. We hope to expand this to include faculty from other colleges in Idaho.

CAFE is a lot like the incredibly diverse and interconnected agricultural community in the Magic Valley and throughout the state. Researchers who

work at CAFE will work to identify technologically sophisticated opportunities to help farmers prosper with down-to-earth, practical solutions to problems.

In addition to the obvious animal and dairy products-related research, CAFE will measure the long-term impacts of crop rotation, maintaining a healthy soil, soil erosion, farming systems (conventional, organic and mixed) and inputs of water, nitrogen, carbon, and other elements on agricultural sustainability.

Sustainability is indicated by long-term trends in yield, quality, profitability, resource-use efficiency (such as water or energy), and environmental impacts.

As college researchers begin analyzing soil samples and building that scientific profile of the property that will become the nation's largest, most sophisticated research dairy, it is clear a lot more work lies ahead but the project is off to a strong start.

The ultimate goal is to help dairies and farmers plan nutrient management to protect soil fertility for the long run.



University of Idaho
College of Agricultural
and Life Sciences

EPA CLEAN WATER ACT INSPECTIONS: THIS IS WHAT WE LEARNED

Megan Satterwhite *Environmental Programs Director*

In April, the Environmental Protection Agency (EPA) spent three days conducting Clean Water Act inspections on Idaho dairy facilities. After three days of thorough inspections they found zero Clean Water Act violations. EPA contracted two inspectors from PG Environmental to conduct the inspections on EPA's behalf. These were very experienced inspectors that conducted themselves in a professional manner we all would expect. IDA staff were present during all the inspections and the following is feedback and recommendations that the inspectors offered the dairies inspected. We felt this was good information to share with the entire IDA membership so you might better prepare yourself in the future if your facility were to be inspected.

Inspectors stressed the importance of detailed recordkeeping. The more documentation you have, along with a thorough NMP, the better you will be able to defend your management practices against false accusations. Furthermore, it is good practice to keep detailed recordkeeping documents that show you are appropriately managing your nutrients in accordance with your NMP to meet the criteria of the Agricultural Stormwater Exemption, should a discharge occur during the wet season. **More information on this topic can be found on page 19.**

Detailed records regarding land application of dairy byproduct was the most significant area of interest. Inspectors largely focused on actual rates of manure or lagoon water applied compared to the amounts planned in the NMP and reported in units (ton/acre, Kgal/acre) consistent with the NMP. If you have field application and third-party export records based on truck loads, it is simply just a matter of averaging those load weights and converting to tons of manure applied or exported. Inspectors emphasized the importance

of manure and lagoon water sampling prior to application to determine the total amount of N, P, and K applied to each field. It was also advised to document the application method and weather conditions at the time of application. **Table 1 is an example of detailed land application recordkeeping for reference.**

Keeping detailed records of site-specific conservations practices was suggested. These are practices that you implement daily to prevent nutrients from leaving your facility. This



includes practices such as turning off pivot end guns when applying lagoon water, using low pressure nozzles and drop hoses on pivots, and not applying lagoon water during times of high wind speeds. This also includes best management practices implemented on your facility, for example: conservation tillage, planting of cover crops, filter strips, and sediment basins. If you are employing any conservation practices, like those mentioned above, we would encourage you to write out what practices you do use and place that documentation into your NMP.

Documenting lagoon levels and ensuring adequate freeboard throughout the year was strongly encouraged. Many of you check your lagoons levels often, however it is not something that many take the time to write

down. Keeping a record of lagoon levels will help prove that you are keeping a watchful eye on your system and being responsible with your storage. As you conduct your routine drive throughout the facility, document freeboard levels and bank conditions of the manure handling system (lagoons, settling cells, reception pits, etc.) Taking a date stamped picture of the storage areas with your smartphone can be a convenient way of documenting water levels, especially after lagoons are pumped down prior to winter months. Additionally, inspectors consistently mentioned that any runoff that comes in contact with feed (*silage leachate*) needs to be contained in an approved structure or pumped to an approved containment.

Inspectors encouraged producers to maintain detailed records and documentation of activities,

together with an up-to-date and comprehensive NMP, to reflect responsible stewardship of land and resources. Keep in mind that many of these recordkeeping suggestions are not required in an Idaho NMP, however, they are highly recommended. We would encourage you to work with your certified NMP writer to include more detailed recordkeeping in your plan.

If you have any questions regarding the EPA inspections or recommendations listed above, please feel free to reach out to me. I also have an electronic version of the land application recordkeeping worksheet that I would be happy to send out if interested.

Megan Satterwhite
208.420.6795
megan@idahodairymens.org

*Entered Data **Calculated Data

TABLE 1

FIELD	DATE	MANURE SOURCE	ACRES	ACRE INCHES APPLIED	APPLICATION RATE (Kgal/A)	(LBS/A INCH, AS RECEIVED)		
						TOTAL N	P2O5	K2O
						FROM LAB ANALYSIS		
EX. 2	4/15/19	LAGOON 1	125	1.25	33.9425	45	24.86	94.92

Application Rate = (Acre inches x 27,154)/1000

Total N Applied = Acre inches x N (lbs/A inch)	P2O5 Applied = Acre inches x P2O5 (lbs/A inch)	K2O Applied = Acre inches x K2O (lbs/A inch)	Total N Applied = N applied x acres	Total P2O5 Applied = P2O5 applied x acres	Total K2O Applied = K2O applied x acres
--	--	--	--	--	--

APPLIED (LBS/A)			APPLIED TO FIELD (LBS)		
TOTAL N	P2O5	K2O	TOTAL N	TOTAL P2O5	TOTAL K2O
56.25	31.075	118.65	7031.25	3107.5	14831.25

AGRICULTURAL STORMWATER EXEMPTION IN THE CLEAN WATER ACT

Tanya Oldham *Nutrient Management Technician*

In 1972, the National Pollutant Discharge Elimination System (NPDES) program was created within Section 402 of the Clean Water Act (CWA). The Environmental Protection Agency (EPA) currently uses permits to help authorize and regulate “point source” industries with discharges to the waters of the United States. All Concentrated Animal Feeding Operations (CAFOs) are eligible to apply for a permit.



REQUIREMENTS

- » Inclusion of records of site-specific conservation practices, including all implemented BMPs that help limit the runoff of nutrients into the waters of the U.S.
- » Appropriate soil test analyses
- » Manure and process wastewater sample analyses prior to application
- » Documentation of protocols for land application and complete calculations noting that application was in accordance with rates included in the facility’s NMP, ensuring proper nutrient utilization
- » Maintaining current and accurate records of all activities listed above. It has been suggested to add these items in their own section to be stored with the facility’s NMP documents.
- » Documentation is required to be stored on the facility or at a nearby office, easily accessible for inspection.
- » Facility operation must be in accordance with all state technical standards outlined in the state’s statutes and rules.

USEFUL LINKS

History of NPDES Program	https://www3.epa.gov/region1/npdes/history.html
IPDES Program	https://www.epa.gov/npdes-permits/idaho-npdes-program-authorization
Point source definition	https://www.epa.gov/cwa-404/clean-water-act-section-502-general-definitions
40 CFR 122.23	https://www.law.cornell.edu/cfr/text/40/122.23
40 CFR 122.42	https://www.law.cornell.edu/cfr/text/40/122.42#e_1_
NPDES Inspection Manual	https://www.epa.gov/sites/production/files/2017-03/documents/npdesinspect-chapter-15.pdf

In 2018, the State of Idaho applied to administer and enforce an Idaho Pollutant Discharge Elimination System (IPDES) program. The EPA granted Idaho primacy and is currently in phase II of implementation. The Idaho Department of Environmental Quality has become the acting regulatory agency for the IPDES program. CAFOs will be eligible to apply for the IPDES permit after July 1st, 2020.

Idaho dairy CAFOs are not currently involved in the NPDES program, however a piece of the program applies to unpermitted facilities. For CAFOs without a NPDES permit, any discharge of nutrients from the CAFOs production area or land application areas into a water of the U.S. is a violation of the CWA, except under the Agricultural Stormwater Exemption. The CWA Agricultural Stormwater

Exemption is created through the definition of “point source”. The definition excludes agricultural stormwater discharges from being considered a point source, meaning that they are exempt from the NPDES program if they discharge into a water of the U.S.

Agricultural Stormwater is defined as precipitation-related discharges from land application areas where manure and wastewater have been applied in accordance with site-specific practices that ensure appropriate agricultural utilization of nutrients. 40 CFR 122.23(e). Agricultural stormwater discharges can only occur in wet weather conditions. Discharges in dry periods are not exempt, and would be considered a violation of the CWA.

For an unpermitted CAFO to meet the agricultural stormwater

conditions, the CAFO must land apply its manure in accordance with site-specific nutrient management practices that ensure appropriate agricultural utilization of the nutrients in the manure, litter or process wastewater, as outlined in 40 CFR 122.42(e)(1)(vi) through (ix). CAFOs that do not meet the conditions listed above are not covered by the Agricultural Stormwater Exemption and will be in violation with the CWA should a discharge into a water of the U.S. under wet conditions occur.

Interpreting rules and regulation is a complicated task and sometimes it is hard to keep them all straight. This particular subject can be messy to navigate. Please contact me if you have any questions.

Tanya Oldham
435.660.9501
tanya@idahodairymens.org



FREE CITIZENSHIP DAY

Attorneys and DOJ accredited staff will provide **FREE** assistance to complete your U.S. Citizenship Application*!

*You may still have to pay USCIS fees.

¡Abogados y representantes acreditados por DOJ le ayudarán a llenar la solicitud para obtener la ciudadanía estadounidense*!

*Usted sera responsable de hacer el pago a USCIS.

DETAILS

Saturday, June 29

HISPANIC CULTURAL CENTER OF IDAHO
315 Stampede Dr., Nampa, ID 83687

By Appointment Only
NO WALK-INS

Appointments are limited. Please call **208.453.3107** to schedule your appointment.
Las citas son limitadas. Por favor llame **208.453.3107** para programar su cita.



DETALLES

29 de Junio

HISPANIC CULTURAL CENTER OF IDAHO
315 Stampede Dr., Nampa, ID 83687

Es Necesario Una Cita Sin Cita
NO SE ATIENDE

DAIRY SAFETY

Willie Bokma IDA Board Member

Foie gras!

Sounds like a cuss word to me, first time I heard it, it did! But, foie gras (pronounced fowa grow) is a delicacy in France. It's goose liver that is extra fatty and apparently delicious and prepared as a specialty dish in that country. The way they get the geese to grow such extra fatty livers is that they feed them more food than their bodies need and their livers get extra big! I've heard that they basically put a funnel down the goose's throat and feed them that way until they get the liver extra fatty. A foie gras goose with a funnel down the throat is how I feel at times with regulations and consumer expectations required of dairymen for the privilege of producing milk.

Hopefully, dairy safety training will not be like that for us. Safety is something that we encounter regularly on our dairies. Every time feed wagons get turned on to blend feed, the implications are there. Each time a semi drives on to our place - it's there! The cleaning chemicals we use to wash our pipelines and bulk tanks, the chances for a spill or splash - there is another opportunity for an accident. Talk about trips and falls, the slick floors and surfaces our employees may walk on is another potential. Have you ever stepped on fresh afterbirth? That mean bull in the corral that your milker reminded you is starting to bellow and stand by the gate is another one. Fresh cows can get a little aggressive sometimes too. Even something as simple as a windstorm

can cause bovines to stampede, and Lord knows what can happen after that? My personal pet peeve is dirty loader windows. How often does machinery have near misses on your place?

Ryan DeWit, IDA's dairy safety guy, was born and raised on a dairy, so he understands our industry. Ryan was tasked with helping develop a dairy safety manual. This FARM Workforce Development Safety Reference Manual is going to be used nationwide by nearly all dairies via NMPF's FARM Program. Ryan's job in developing the manual was to use farm and industry experts such as Dr. Robert Hagevoort from New Mexico State University and Dr. David Douphrate from the University of Texas School of Public Health, as well as others from around the country. And yes, many actual dairy farmers' inputs were incorporated to make sure what is in the manual is doable and practical. If you haven't met Ryan, you'll find that he is a very likable guy and has done a lot of free dairy-specific safety trainings. He's trained over a thousand workers since he's been here. He's very good at it and does it in English, Spanish or Qui'ché. He uses iPads to do these trainings remotely and the sessions can be very specific to each dairies' wants and topics. The many different facilities out there as well as the sizes of your crews can easily be accommodated. You don't have to have a special break room or anything fancy like that...he's even taught workers outside with them sitting on buckets! Subjects as varied as cow handling, chemical

safety, silage face dangers, lagoon and manure pits concerns, PTOs, machinery, and shop safety can all be encompassed. Costs of the safety trainings are covered by IDA as well as IMPA, as a result of an agreement between the Associations.

DISCOUNTS ON WORKERS COMP AVAILABLE

The idea that we possibly could get a Workers Comp discount if our dairies use safety training was explored when we hired Ryan. At first this idea was not causing any excitement with our normal Workers Comp providers, but after many presentations about our training and safety program, Ryan crossed paths with a company that would give us discounts. The Advantage/WCF (Workers Compensation Fund) through Moreton & Co insurance folks have offered 8-10% and up to 15% max savings...nothing to sneeze at when you've got a big crew working for you!

It seems odd that the consumers focused on cow welfare prior to caring about the folks that help us get the milk from these critters. It shows you how different the consumer and retailer mindset can be, and their disconnection from how things really are on our dairies. We've been taking care of both of these issues all along. If we hadn't taken care of employees and cows, we wouldn't have the successful and growing dairy industry we have today!

PRESS RELEASE: SECRETARY PERDUE ANNOUNCES NEW DAIRY MARGIN COVERAGE SIGNUP BEGINS JUNE 17



WASHINGTON, JUNE 13, 2019 — U.S. Secretary of Agriculture Sonny Perdue today announces that signup begins June 17 for the new Dairy Margin Coverage (DMC) program, the cornerstone program of the dairy safety net that helps dairy producers manage the volatility of milk and feed prices, operated by the U.S. Department of Agriculture's Farm Service Agency (FSA).

The 2018 Farm Bill allowed USDA to construct the new DMC, which replaces the Margin Protection Program for Dairy (MPP-Dairy). This new program offers protection to dairy producers when the difference between the all-milk price and the average feed cost (the margin) falls below a certain dollar amount selected by the producer.

"In February I committed to opening signup of the new Dairy Margin Coverage program by June 17, I am proud to say that our FSA staff worked hard to meet that challenge as one of the Department's top Farm Bill

implementation priorities since President Trump signed it last December." said Secretary Perdue. "With an environment of low milk prices, high economic stress, and a new safety net program with higher coverage levels and lower premiums, it is the right time for dairy producers to seriously consider enrolling when signup opens. For many smaller dairies, the choice is probably a no-brainer as the retroactive coverage through January has already assured them that the 2019 payments will exceed the required premiums."

The program provides coverage retroactive to January 1, 2019, with applicable payments following soon after enrollment. At the time of signup, dairy producers can choose between the \$4.00 to \$9.50 coverage levels.

The Farm Bill also allows producers who participated in MPP-Dairy from 2014-2017 to receive a repayment or credit for part of the premiums paid into the program.

FSA has been providing premium reimbursements to producers since last month and those that elect the 75 percent credit option will now have that credit applied toward 2019 DMC premiums.

The Department has built in a 50 percent blend of premium and supreme alfalfa hay prices with the alfalfa hay price used under the prior dairy program to provide a total feed cost that more closely aligns with hay rations used by many producers. At a milk margin minus feed cost of \$9.50 or less, payments are possible. With the 50 percent hay blend, FSA's revised April 2019 income over feed cost margin is \$8.82 per hundredweight (cwt). The revised margins for January, February and March are, respectively, \$7.71, \$7.91 and \$8.66 – triggering DMC payments for each month.

DMC payments will be reduced by 6.2 percent in 2019 because of a sequester order required by Congress

and issued in accordance with the Balanced Budget and Emergency Deficit Control Act of 1985.

DMC offers catastrophic coverage at no cost to the producer, other than an annual \$100 administrative fee. Producers can opt for greater coverage levels for a premium in addition to the administrative fee. Operations owned by limited resource, beginning, socially disadvantaged or veteran farmers and ranchers may be eligible for a waiver on administrative fees. Producers have the choice to lock in coverage levels until 2023 and receive a 25-percent discount on their DMC premiums.

To assist producers in making coverage elections, USDA partnered with the University of Wisconsin to develop a DMC decision support tool, which can be used to evaluate various scenarios using different coverage levels through DMC.

MORE INFORMATION

All dairy operations in the United States are eligible for the DMC program. An operation can be run either by a single producer or multiple producers who commercially produce and market cows' milk.

Eligible dairy operations must have a production history determined by FSA. For most operations, production history is based on the highest milk production in 2011, 2012 and 2013. Newer dairy operations have other options for determining production history. Producers may contact their local FSA office to get their verified production history.

Dairy producers also are reminded that 2018 Farm Bill provisions allow for dairy operation to participate in both FSA's DMC program and the Risk Management Agency's Livestock Gross

Margin (LGM-Dairy) program. There are also no restrictions from participating in DMC in conjunction with any other RMA insurance products.

On December 20, 2018, President Trump signed into law the 2018 Farm Bill, which provides support, certainty and stability to our nation's farmers, ranchers and land stewards by enhancing farm support programs, improving crop insurance, maintaining disaster programs and promoting and supporting voluntary conservation. FSA is committed to implementing these changes as quickly and effectively as possible, and today's updates are part of meeting that goal.

For more information, visit the farmers.gov DMC webpage or contact your local USDA service center. To locate your local FSA office, visit farmers.gov/service-locator.

FARM SAFETY MANUAL

Ryan DeWit Dairy Worker Training & Safety Director

Several industry stakeholders have come together to produce a best-in-class Dairy Safety Reference Manual. As we've made strides to advance workforce development on our dairies, we've realized the need for a dairy-specific safety manual. We leaned on the expertise of Dr. Douphrate and Dr. Hagevoort for writing the safety manual. It is complete with best management practices, linked resources, case studies, regulatory compliance reference, and is all in easy-to-read language. Their expertise of dairy labor management, on-farm practices, employee culture, and ergonomics was both unique and necessary for the task of writing this one-of-a-kind resource.



Idaho Dairymen's Association, Idaho Milk Processer's Association, and National Milk Producer's Federation funded the development of the Safety Manual. The support of these organizations made the safety manual of utmost importance and ensured its timely completion. In addition, our gratitude goes towards the Idaho Dairy Safety Oversight

future projects. I also want to give Nicole Ayache with NMPF recognition for all her hard work in putting the safety manual together.

ADDITIONAL FARM RESOURCES

In addition to the Safety Reference Manual, we wanted to highlight some additional resources within the Workforce Development

point. In the same realm, several other templates exist for your convenience. Those would be: job descriptions, sample job applications, emergency contact forms, interview forms, new hire checklists, and several others.

As we are asked to do more and more as dairy farmers, I hope these resources can be of help. The FARM website is a great place to

“Dairy owners and managers have always cared about and prioritized safety. They and their family members are almost always the front-line workers in our family-owned and operated dairy businesses. We do, however, lack the formal approach many other industries have when addressing safety and training. Agriculture is an industry with one of the highest injury and fatality rates in the country. We need to better formalize our safety and training programs to minimize those risks where we can and strive to continually improve.” - RICK NAEREBOUT (Foreword of the Safety Manual)

Board and the FARM Workforce Development Task Force. They reviewed and verified the content was accurate and suited the intended audience. The Idaho group consists of four Idaho dairymen, five ag safety experts, worker representatives, and co-op/processor representatives to ensure every stakeholder had the opportunity to provide input and insight to the development and review of the safety manual. We will continue to lean on this group for oversight on

suite of the FARM program. To start off, there are legal fact sheets for each state as well as a federal legal fact sheet. These cover several HR/Labor laws detailing the legal intricacies of wages, working conditions, health and safety, and many more.

For dairy farmers to download and use is an HR manual with several templates. If you take a look at your HR practices and you don't have an Employee handbook or manual, this would be a great starting

begin if you are lost and don't know where to start. I encourage you to take a look at your operations and see where you may not have a formalized process or procedure in place when it relates to HR or safety. As our industry is rapidly changing, now is the time to address areas that can be improved. Please reach out to me on my cell phone if I can help in any way!

Ryan DeWit
806.265.5390
ryan@idahodairymens.org

FOR MORE INFORMATION:

<https://nationaldairyfarm.com/producer-resources/worker-safety-human-resources/>

CHECK OUT THE DAIRY SAFETY MANUAL HERE:

<https://nationaldairyfarm.com/dairy-farm-standards/farm-workforce-development/>



195 River Vista Place
Suite #308
Twin Falls, Idaho 83301

UPCOMING EVENTS

- JULY 9** Resolutions Committee Meeting *Preston*
JULY 23 Resolutions Committee Meeting *Idaho Falls*
JULY 24 Resolutions Committee Meeting *Twin Falls*
JULY 25 Resolutions Committee Meeting *Treasure Valley*
JULY 30 & 31 Dairy West/IDPC & IDA Board Meetings *Salt Lake City*
AUGUST 8 & 9 IMPA Annual Meeting *Sun Valley*

IDA BOARD OF DIRECTORS

Pete Wiersma President (Buhl, ID)
Arie Roeloffs Vice President (Wendell, ID)
Don Heida Secretary/Treasurer (Kuna, ID)
Allan Swainston (Preston, ID)
Ted Vanderschaaf (Kuna, ID)
Tony DeWit (Wendell, ID)
Chris Stevenson (Jerome, ID)
Kim Wolfley (Blackfoot, ID)
Willie Bokma (Twin Falls, ID)
Rick Naerebout CEO

IDPC BOARD OF DIRECTORS

Mike Siegersma Chairman (Nampa, ID)
Brian Esplin Vice Chairman (Shelley, ID)
John Brubaker Secretary (Buhl, ID)
John W Wright (Wendell, ID)
Pete Doornenbal (Caldwell, ID)
Tom Kasper (Melba, ID)
Dan Gilbert (Blackfoot, ID)
Don Gaalswyk (Castleford, ID)
Kim Korn (Terreton, ID)

DAIRY WEST BOARD OF DIRECTORS

Steve Ballard Chairman (Gooding, ID)
John Brubaker Vice Chairman (Buhl, ID)
Josh Webb Treasurer (Declo, ID)
Chace Fullmer Secretary (Sigurd, UT)
Tom Kasper (Marsing, ID)
Dan Gilbert (Blackfoot, ID)
Jeff Hardy (Brigham City, UT)
Mike Siegersma (Nampa, ID)
Matt Leak (Cornish, UT)
Clint Jackson (Meridian, ID)
Winfield Anderson (Blackfoot, ID)
Pete Wiersma (Buhl, ID)
Karianne Fallow CEO - IDPC /Dairy West