

IDAHO DAIRY FOCUS

Third Quarter 2019

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**MORE ABOUT CHINA'S PORK
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IDAHO **IDA**
dairymen's association

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

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FEDERAL DAIRY ISSUES UPDATE

Charlie Garrison DC Lobbyist

TRADE

It may be the dog days of summer in Washington, D.C. but much activity has been going on in preparation for what could be a very consequential fall season for the dairy industry on the national and international policy stages. Trade agreements on this continent and with countries in Asia set the rules on billions of dollars in U.S. dairy sales in foreign markets. Two major deals could be completed before the end of the year. And work continues on a new law that would stabilize the current workforce and their families on dairies in Idaho and throughout the country as well as provide a legal source of new workers when they are needed in the future.

The United States, Mexico and Canada completed a new trade agreement known as the “USMCA” late last year. Mexico is our largest dairy export customer and Canada ranks as the third-largest customer for U.S. dairy products. Free and open dairy trade with Mexico over the

is with some Democrats who say they want improvements made to Mexico’s commitments on labor and environmental protections. It appears those concerns can be addressed without changes to the USMCA itself which is critical since Mexico has

for high-quality U.S. dairy products for some time now coming in fifth on the ranking of buyers. To help support the inclusion of strong dairy language in the deal IDA recently joined approximately 70 other industry organizations to send a letter to U.S.

THE IMPROVING ECONOMIC CONDITIONS IN THE WORLD’S MOST POPULOUS COUNTRY [CHINA] MEAN THAT IT IS A FAST-GROWING MARKET FOR FOODS CONTAINING HIGH QUALITY PROTEIN.

past two decades has resulted in 25% of our exports finding a home south of the border. While the product Canada buys from us is largely for re-export, the USMCA calls for an end to the pricing program there that puts dry dairy proteins on the world market at less than the cost of production.

The Senate in Mexico has ratified the USMCA. The Canadian Parliament appears ready to give its stamp of approval. Lawmakers there, however, are reportedly waiting on the U.S. Congress to signal it is ready for a ratification vote before they act.

The delay in the U.S. House of Representatives

already approved the deal and a new President has taken office there since the agreement was signed.

IDA has worked with the state’s congressional delegation to let them know how important the USMCA is to the rural economy in the state. We will continue to do that until the U.S. Congress votes to ratify the deal. That is expected to happen prior to Thanksgiving.

More good news on exports came recently with the announcement that the U.S. and Japan had reached an “Agreement in Principle” on a new trade pact. Japan has been a consistent customer

Trade Representative Robert Lighthizer and Agriculture Secretary Sonny Perdue emphasizing the importance of the Japan market to the economic health of the U.S. dairy industry.

The trade relationship with Japan needed to be updated after the U.S. withdrew from the 12-nation Trans Pacific Partnership agreement negotiated by the Obama Administration. The remaining Pacific Rim countries completed the deal and that placed New Zealand in the position of a preferred dairy supplier to Japan. Details are still being negotiated but a new agreement is expected to be helpful to U.S. exporters as they look to continue to

develop the lucrative dairy market in Japan.

Progress on dairy trade in North America and with Japan stands in stark contrast to the tariff and counter tariff back-and-forth currently going on with China. The improving economic conditions in the world’s most populous country mean that it is a fast-growing market for foods containing high quality protein. U.S. dairy products fit that bill perfectly but China’s imposition of counter tariffs on our cheese, whey and dry dairy proteins leave that market largely to our international competitors. Farmers are especially frustrated over the situation since our complaints about China’s trade practices have nothing to do with agricultural products. Negotiators for both countries are to meet again in Washington, D.C. in September to try to get talks for a new trade agreement back on track.

IMMIGRATION REFORM

IDA has been working since very early this year to try to pry open a political window to pass federal legislation to stabilize the

current dairy labor force. The legislation IDA supports would also create a program for new workers to fill jobs done year-round like most jobs on dairies. Leaders on immigration issues among House Democrats, in the majority in this Congress, signaled earlier in the year that they would like to try to pass a bill to reform the visa program for foreign-born farm labor.

Congressman Mike Simpson and his staff have been providing leadership on the Republican side of the aisle organizing efforts to offer proposals to address Idaho’s dairy labor needs as well as building political support among fellow GOP members who are willing to help address the issue. Many of the Idaho dairy community who attended the IDA-sponsored meeting in Twin Falls on August 5th heard extensive comments on the subject from Congressman Simpson and said they came away with hope that something could actually get done to finally address the labor needs of the state’s dairy industry.

IDA is also working directly with the White

House as staff for the President seek ways to streamline and modernize the H-2A program that offers temporary workers for seasonal jobs on farms. Even though that program excludes most jobs on dairies because of the requirement that the job be seasonal only, IDA is working on ways for our members to access foreign-born labor through H-2A visas.

As we head into the fall there is clear reason to be optimistic about the prospects for moving forward on two major issues. Clear progress has been made on trade agreements with some key international customers for U.S. dairy products. And a window has been pried open, if ever so slightly, that might allow federal legislation to solve the dairy labor crisis. Both are complex political issues that affect the industry on a daily basis. IDA will continue to work with the Idaho congressional delegation and our industry allies to resolve these problems to the benefit of the dairy producers who are the economic backbone of rural Idaho.

AEM & ASHCA PARTNER IN PROVIDING SAFETY RESOURCES

AEM is pleased to announce a partnership with the [Agricultural Safety & Health Council of America \(ASHCA\)](#) to provide agriculture industry safety resources and work collaboratively to improve ag safety communications. The two organizations agreed to launch a discount program for ASHCA members who purchase [AEM safety materials](#) online. AEM and ASHCA will officially communicate the details of the program to their respective members in the coming weeks. IDA is a member of ASHCA and the program benefits will be available to all IDA members.

"It's extremely important that the agricultural industry be provided with safety information," said *AEM Director of Safety Materials Jaime Vos*. "So much of that work depends on the use of big equipment, and operators need to be aware of the hazards involved. AEM's safety materials program has a long history of communicating best practices for safe equipment operation, and we want to make those resources available to as many people as possible."

Earlier this month, AEM and ASHCA held a teleconference to review some of AEM's free safety resources and their experience with agricultural safety concerns as they relate to equipment operation. In addition, the two organizations agreed to partner and offer the discount program to ASHCA members.

The AEM safety materials program began in 1969 and has progressively expanded to include over 150 titles, 55 of them unique safety manuals featuring best practices for safe equipment operation. Many of those titles feature equipment used

in the agricultural industry, including tractors, sprayers, skid steers, and telehandlers. The materials are developed by AEM committee members and feature consensus-based best practices for the operation of big equipment that cover numerous categories such as:

- » Following a safety program
- » Equipment preparation
- » Operating safely
- » Safe transportation
- » Maintenance safety

"AEM safety materials are products developed by some of the best safety engineers in the mobile equipment industry," said *AEM Senior Director of Technical and Safety Services Mike Pankonin*. "They represent a compilation of agreed upon best practices of safe operation, regardless of brand. These are excellent materials that need to get into the hands of the people running and servicing the equipment to be effective."

For more information, contact AEM Director of Safety Materials Jaime Vos at jvos@aem.org.

CROP ROTATION EFFICIENCY

Megan Satterwhite, Tanya Oldham
IDA Consulting Services, Inc.

Crop rotation has large impacts on most dairy operations. Balancing each field's efficiency can be difficult, especially under a nutrient management plan. Rotating different crops on each field can help break up weed pressure, pests, and diseases. It is important to understand how crop rotation influences nutrient availability and uptake. Double cropping and cover crops also play heavily in your crop rotation and nutrient management plan. This fall, as many dairymen plan next year's rotation, take these ideas into consideration.



Growing the same crop on the same field each year can lead to higher insect populations, higher weed pressure, and an increase in disease. Pest incidences are expensive to treat and are oftentimes caught too late. An inexpensive and easy solution is to develop a rotation for the field that addresses the specific pest issue. Diverse rotations effectively break cycles of common pests over a longer period, saving yields, stress, and money. Crop rotations are also effective at controlling soil borne pathogens such as *Vorticillium*, *Fusarium*, and *Rhizoctonia* that can negatively impact plant health and yield.

Crop yields can be negatively impacted by high salt concentrations in the soil, especially corn and alfalfa crops. You can expect yield reductions in both corn and alfalfa when Electrical Conductivity (EC) levels are above 1.7 dS/m (Horneck et al., 2007). When managing a field that is high in salt concentrations, try using barley in the rotation. Barley can tolerate EC levels up to 8 dS/m before yield is compromised (Horneck et al., 2007). Conduct annual

soil testing to monitor salt concentrations, especially on manured fields. It is also recommended to lessen manure applications until the salts have been reduced to a manageable level. Both pest and salinity stresses can limit crop production, therefore decreasing nutrient uptake of the rotation and changing the overall nutrient balance of the farm.

Every crop grown has lasting effects on the next. Legumes like alfalfa, beans, and peas leave nitrogen behind after harvest and it is important to take that into consideration when budgeting for fertilizer applications. A study conducted by Utah State University in 2017 found that silage corn following an alfalfa stand did not need any nitrogen (N) as additional fertilizer. They studied 36 fields across Utah and found that 92% of them didn't benefit from additional fertilizer. Dr. Earl Creech followed up with an additional year of corn silage and found that it also didn't largely benefit from additional fertilizer. In conclusion, they decided alfalfa nitrogen credits should be increased to 200 lbs of N/ac

in the first year, and 100 lbs of N/ac in the second (Schaffer, 2019). Considering nitrogen credits from the previous crop and previous manure application is important when picking a crop rotation and developing nutrient budgets.

Double cropping can be beneficial to a field rotation where manure is being applied. Manure tends to release late season nitrogen and double cropping or using a cover crop through the winter can help maintain nitrogen in the root zone. In addition, growing a crop through the winter minimizes soil losses during spring thaws and large storm events. It is important to remember that cover crops return the scavenged nutrients to the soil when they aren't harvested.

In some cases, producers may need to implement a phosphorus (P) drawdown strategy. Double cropping rotations have the potential to remove considerably more P in a growing season compared to a single crop rotation. A typical double cropping rotation in southern Idaho is triticale or other small grain and corn. Research conducted

by Dr. Brad Brown from the University of Idaho found that a double cropping rotation removed 154 lbs P/A and 168 lbs P/A for a spring wheat-corn and triticale-corn rotation, respectively (Brown, 2008). Double cropping can remove 29-41 % more P than a corn crop alone.

In conclusion, having an effective crop rotation can have an economic return, increase soil health, and limit pest and diseases pressure. Nitrogen credits should be considered in the crop rotation and nutrient budget and could likely reduce commercial fertilizer costs. Optimal crop rotations increase crop yields and can maximize the phosphorus uptake potential of the rotation. Finally, soil health and overall productivity is improved with a diverse rotation.

Certified nutrient management planners and field managers are great resources for the development a proper crop rotation. Expressing goals of the farm facility and operation will be critical for success. Additional questions or concerns can be directed to **Megan Satterwhite 208.420.6795** or **Tanya Oldham 435.660.9501**.

REFERENCES

- Brown, Bradford D and R. Gibson. "Phosphorus Removal in a Double Cropping System." Idaho Nutrient Management Conference Proceedings, 2002, p. 22-35.
 Horneck, et al. "Managing Salt-Affected Soils for Crop Production." ScholarsArchive@OSU, [Covallis, Or.]: Oregon State University Extension Service, 1 Nov. 2007.
 Schaffer, B. "Revisiting Past Recommendations for alfalfa nitrogen crediting for corn silage following alfalfa in Utah". Crops & Soils, July/August 2019, p. 20-22.

KATIE VANDENBERG JOINS SAWTOOTH LAW OFFICES



Sawtooth Law Offices is pleased to announce that Katie L. Vandenberg will be joining the firm as an associate attorney upon her passage of the Idaho State Bar Examination. Katie joined the firm as a law clerk in the summer of 2018, where she assisted the attorneys in many different practice areas as she finished her law degree. In May of 2019, Katie graduated *cum laude* from the University of Idaho College of Law, with her grades placing her in the top 10% of her class.

Katie was born and raised on an Idaho dairy farm with an active lifestyle, where she developed a love for agriculture and the outdoors at an early age. Before joining Sawtooth Law Offices, Katie completed undergraduate degrees at

the University of Idaho in agricultural economics and accounting with high honors. During her undergraduate studies, Katie interned for the Office of Governor C.L. “Butch” Otter, Northwest Farm Credit Services, and Simplot Animal Sciences, where she gained the skills necessary to be a well-rounded advocate for agriculture, and especially the dairy industry.

When Katie is not at the office, she is busy working on her family’s dairy and farming operations, where she is the third generation to be actively involved. Katie completes many different tasks around the farm, but is fondly referred to as the “turd turner” for her many hours in the tractor turning compost.

Katie will continue to assist the Boise and Twin Falls offices, where she hopes to serve the needs of fellow dairymen and those in allied industries. Katie may be contacted at **208.629.7447** or by email at **katiev@sawtoothlaw.com**. To contact or read more about all of the attorneys at Sawtooth Law Offices, please visit **www.sawtoothlaw.com**.



IDA BOARD & RESOLUTIONS COMMITTEE ELECTIONS



IDAHO DAIRYMEN,

IDA will be holding Board and Resolutions Committee elections this month. We wanted to inform the membership, so you would have the opportunity to provide nominations for the respective positions. Members can nominate yourself or other Idaho dairymen to serve on the IDA Board or Resolutions Committee by contacting the Nominating Chairman in your District. Below are the Nominating Committee Chairmen's contact information for each District, along with the Director and Resolution Committee seats that are up for election.

DISTRICT I

Nominating Committee Chair DON HEIDA | **amheida@gmail.com** 208.869.2173
Board of Directors Seat TED VANDERSCHAAF
Resolutions Committee Seat PETE DOORNENBAL

DISTRICT II

Nominating Committee Chair PETE WIERSMA | **petew@filertel.com** 208.731.1986
Board of Directors Seat TONY DEWIT
Resolutions Committee Seat DON GAALSWYK

DISTRICT III

Nominating Committee Chair KIM WOLFLEY | **rkwolfley@gmail.com** 208.680.3320
Board of Directors Seat ALLAN SWAINSTON
Resolutions Committee Seat ALAN REED

Please contact the Nominating Committee Chairman from your District if you have anyone you would like to nominate. **All nominations must be received by September 16th to be included on the ballot.** If you have questions, please contact Rick Naerebout at **rick@idahodairymens.org** or at **208.308.3383**.

CAFE DISCOVERY COMPLEX

Bill Loftus Science Writer, University of Idaho

SITE PURCHASE

The addition of another key element in building a world class dairycentric research/outreach facility – the purchase of the physical site - is adding momentum to the University of Idaho led effort.



Michael Parrella, College of Agricultural and Life Sciences dean, said at the recent Idaho Milk Processors Association annual meeting in Sun Valley that this and other factors make him more optimistic that **The Idaho Center for Agriculture, Food and the Environment (CAFE) is on its way to becoming reality.**

CAFE advanced another major step in July with the acquisition of a site for an education and outreach complex at the Crossroads Point Business Center near Jerome.

The 6 acres purchased by the University of Idaho is located in Jerome County along U.S. Highway 93 and north of the intersection of Interstate 84. The property will accommodate a public visitor center, faculty offices, laboratories, classrooms, and dormitory housing linked to CAFE. “This purchase marks an important advance in realizing the overall goal of the Idaho Center for Agriculture, Food and the Environment,” Parrella said. “CAFE will help Idaho’s important dairy industry, and the broader agricultural and business communities in the state by improving their economic, social and environmental sustainability,” he added. “Social sustainability is connected to telling the agricultural story

to the broader general public so people can understand and appreciate the industry.”

The purchase of the Crossroads site marks the second major step this year toward realizing the creation of the nation’s largest research dairy. U of I and the Idaho Dairymen’s Association purchased property from the Whitesides family in February that will serve as the location for a 2,000-cow research dairy. That property is near Rupert in Minidoka County. Plans call for the CAFE Discovery Complex to partner with collaborating organizations to tell the story of Idaho agriculture. The plan was endorsed by the Idaho Dairymen’s Association, Idaho Farm Bureau Federation, Jerome 20/20, and other groups.

Beyond buying the property, Parrella said the August IMPA meeting reinforced his optimism that CAFE is reaching a tipping point toward success. The meeting provided a forum for new U of I President C. Scott Green to articulate his views of the university’s role across the state. Green’s presence, and his recognition and support for Idaho agriculture, was welcomed.

The president’s commitment to meeting dairy industry representatives gathered in Sun Valley sent an important

signal, Parrella said, adding he is confident other groups and businesses will be encouraged to support CAFE.

Jerome County officials and agricultural interests have long sought greater university involvement in the region’s vital dairy and agricultural industry. The energy and leadership provided by Jerome 20/20 has been extraordinary and valued, Parrella said.

Arlen B. Crouch, owner of the Crossroads Business Center, looks forward to future development of the site. “We are excited by this commitment from U of I to expand both its research and education opportunities here, and to help our region tell the story of agriculture, our most dynamic economic force,” Crouch said.

The Idaho State Board of Education previously approved the sale, which closed in mid-July. Another major component of the Idaho CAFE project will involve enhanced food processing education and research opportunities in the Magic Valley in a partnership with the College of Southern Idaho in Twin Falls.

More information on the project is available at www.uidaho.edu/cafe.

NEW HIRE CHECKLIST

Ryan DeWit IDA Consulting Services, Inc.

If someone were to get an entry-level job on your dairy, would he/she have everything they might need to do their job right the first day? What about doing the job safely? How about keeping animal care of upmost quality? Will the new worker feel comfortable and confident in working at your dairy? Will this individual want to be part of your team one week from now or one year from now?

The best way to get started off on the right foot with newly hired employees is ensuring they are provided everything to be able to answer YES to all those questions. The best recommendation in that regard would be to utilize a new hire checklist: a simple outline that provides a framework for what the new employee should know about your operation. The FARM Program has templates that can be downloaded here: (<https://nationaldairyfarm.com/producer-resources/worker-safety-human-resources/>). They can be downloaded in word and changed to be specific to your dairy.

For the Idaho dairy producers reading this, I have edited the checklist to fit the needs as I see in Idaho. Be sure to have a copy for the employee and one for your records. Please review and see how it can be incorporated into your HR and Employee Retention practices. If you have any questions, please reach out to me at **806.265.5390** or ryan@idahodairymens.org and I would be happy to help implement this into your operation.



NEW HIRE CHECKLIST

EMPLOYEE NAME _____ START DATE _____

EMPLOYEE
INITIAL

Before Employment

Basic Information to Give New Hire Before They Start

- » When and where to arrive on the first day: _____
- » Who to ask for upon arrival: _____
- » What documents to bring on the first day
(i.e. passport, driver's license, or other identification for I-9 verification)
- » What to wear (Are uniforms/boots provided?) _____
- » Where to park: _____
- » Where/how to clock in: _____

Inform other employees that a new employee will be starting on _____ date.

Plan for Safety & Job Training

The new employee will need to be trained, both to do their job and on safety procedures. Before they start their first day, the dairy owner/manager should be sure to have a plan for who will train the employee and when.

SUPERVISOR'S SIGNATURE: _____

First Day

Introduce the Farm's Mission, Vision, Culture & Identity (if applicable)

Upon the new hire's arrival, give a warm welcome, an explanation of how the day will unfold, and take a few moments to explain the organization's:

- » Culture (*Organization background*)
- » History of the farm (*Ownership and organization*)
- » Values
- » Vision and mission (*What you believe, how you operate, and an explanation of your goals*)

Review New Hire Paperwork

- » I-9 Employee Eligibility Verification
- » W-4 Federal Employee Withholding
- » State Tax Withholding Forms
- » Work Agreement and/or Job Description Form (*Idaho-specific work agreement templates are available from IDA upon request*)
- » Signed Deduction Authorizations (*Requirement varies by type and state*)
- » Dairy Cattle Care Ethics Agreement (*FARM or other animal care program*)

Review Company Policies & Procedures

Go over the dairy's policies and procedures, using the employee handbook as a guide, if applicable. If the dairy requires the employee to sign an acknowledgment of policies or the handbook, be sure to give ample time for the employee to review the documents. Employees with low literacy may need to have the documents read out-loud. Dairy's that often hire non-fluent English speakers should expect to translate written policies. Items that can be covered include:

- » Work or shift hours
- » Overtime policy, if applicable
- » Leave: vacation, sick
- » Attendance and absences
- » Breaks
- » Drug-free workplace
- » Discipline procedure
- » Performance reviews
- » Discrimination and harassment
- » Safety policies and procedures
- » Training procedures
- » Animal care

Discuss Timesheets & Pay Schedule

If employees will be expected to fill out a timesheet or similar form to record hours, the owner/manager or supervisor should explain the procedure on the first day. The employee should be told the procedure for payment and the payday. If applicable, provide enrollment forms for direct deposits.

PAYDAY(S): _____

Review Benefits & Related Forms

On the first day, the owner/manager or supervisor should discuss non-wage benefits that the dairy may offer, like health insurance or retirement plans. Enrollment forms should be shared with the employee with instructions on how to complete them and where to return them.

Review the Job Responsibilities

Review the responsibilities of the employee's new job. The written job description is a helpful guide to outline key duties and expectations. Some dairies may wish to have a new employee sign the job description to confirm their understanding of the role.

Equipment

Give the employee the required equipment, including keys, PPE, uniform, etc.

Complete All Paperwork

Review the pay and payment schedule. Make sure the employee signs the appropriate income tax forms. Have the new hire complete an emergency contact form.

Welcome & Walking Tour

Conduct a walking tour of the dairy with the new employee. Point out important areas, like break areas, bulletin boards, and bathrooms. Show the employee the location where legally-required labor and safety posters are displayed. Introduce the new employee to staff – explain each person's role and vice versa. Provide the new employee with an organizational chart, if available. Assigning a "buddy" to each new employee is helpful for answering simple questions that might come up in the first couple of months of employment.

Schedule or Conduct Safety & Job Training

Some training may be conducted on the first day (especially safety training). Other training may happen over the course of the first few weeks. (The FARM Safety Manual can be used for reference, noted by page numbers)

TRAINOR'S SIGNATURE: _____

- » Worker Safety During Animal Handling (pg. 44)
- » Confined Spaces (pg.48)
- » Slips, Trips, and Falls (pg. 59)
- » Hazard Communication/Chemical Safety (pg. 62)
- » Lockout/Tagout (pg. 66)
- » Machine Guarding (pg. 70)
- » Silage Safety (pg. 74)
- » Additional Training for Job Duties (i.e. milking procedures specific to your dairy)

Schedule a Follow-up for the New Hire

Have someone from leadership/management ensure the new employee is adapting to the job requirements.

FOLLOW UP BY THIS DAY: _____

WHY I AM GETTING LONG PITCHFORKS

Nick Buyse

Risk Management Consultant, INTL FCStone

First things first, I wanted to give Kady Hurlock a big shout out for her hard work the past few years putting this IDA focus together! I wish Kady the best of luck representing our country in the Navy Reserves! I'm hoping she can still put these flashy newsletters together even while she's out at sea.

It's pretty tough to ignore China in the news on a daily basis as we analyze the global ag markets. We can talk about the escalating trade war all we want until we are blue in the face. The Whitehouse just recently put another new round of tariffs on September 1st which the Chinese swiftly retaliated against by raising tariffs on ag products.

INTL · FCStone



It's becoming more clear by the day it's not just about the U.S.'s \$400+ billion trade deficit with China's totalitarian regime. It's about stopping the pattern of intellectual property theft. It's about slowing their military aggressiveness in key global shipping lanes of the South China Sea. (make us proud Kady) The list goes on and on. It seems in the past that talking with China has never resulted in any substantial, positive change. One thing for sure is China cannot respond to tariffs besides countering with more tariffs. I don't see that changing anytime soon as the White House has repeatedly said they need tariffs in any deal as an enforcement mechanism.

The U.S. economy is still chugging along with Q2 GDP growth at 2%. The US agriculture industry is obviously taking the brunt of the hit here from the tariffs. Although more importantly-how is China reacting after facing tariffs for over a whole year now?

Something not getting much press is the fact that China has effectively nationalized three major banks that were insolvent since May 2019.

This is the first time there's been a nationalization of a bank(s) in China since 1998. It seems like we could be on the verge of a "2008 Lehman Brothers" banking/liquidity crisis event in China. That does not bode well at all for the outlook of their economy that has been fueled by an unprecedented level of debt and liquidity since 2009. China's debt/GDP ratio has gone from a roughly 150% to now over 300% depending on the source of the statistics you are using. (*China is probably understating their debt and overstating their GDP.*)

I'll steal a quick quote from my IDA focus article back in March: "Moreover, the quickest way to an unstable society is to allow food insecurity to run rampant. Xi Jinping and the Chinese leadership know this and the way to limit unrest is to solve the swine fever issue by both increasing imported pork – and rebuilding their domestic hog market post haste."

Well that social unrest I was worried about is now transpiring in Asia's financial hub of Hong Kong. The increasingly violent protests have been going for 13 weeks strong now. With Hong

Kong still arguably politically independent from China until the year 2047, the Hong Kong people are still maintaining a certain level of freedom of speech. The whole world can see the protests unfolding in Hong Kong. If these protests were in Mainland China we could very well not have the same visibility as any journalist bold enough to report on it would be thrown in prison.

In my view, Beijing is in a very vulnerable spot now between negotiating a trade war with the U.S., escalating social unrest in Hong Kong, and a crumbling economy. Rapidly rising food inflation combined with a slowing economy does not mix well for keeping people happy. Chinese citizens will face a much lower standard of living in the years to come with this outlook.

I felt like a broken record since I wrote my IDA focus article back in March about China's pork shortage. U.S. prices of pork have come lower since March due to escalating trade tensions. Pork prices inside China were stable for most of the past year due to heavy culling to prevent the hog virus from

spreading. That temporarily meant more supply on the market for the short term. Also, China's government had large reserves of frozen pork that kept prices in check. The amount of those pork reserves is a closely kept secret, although we are now seeing obvious signs of a shortage. Pork prices are at record highs now and are up roughly 50% now from June, and up 25% from July!

If we assume China's production to be down a conservative 30% this year, we are looking at roughly a 15 million tonne (MMT) shortage which is absolutely massive and unprecedented in scale. For perspective, the global trade of pork is close to only 9MMT. That's something to think about as China's record imports of pork were 1.6MMT in 2016 which seems like a relatively small number to me.

China cannot rebuild their hog herd back overnight and that might take 5-7 years at least. They need to feed their people – and feed them cheaply – or suffer a more devastating fate than the current protests in Hong Kong. Deal or no deal with the U.S., I think China will

be a substantial buyer of U.S. and global meat supplies. And meat is protein (and fat). Two macronutrients that dairy is also chalk full of. I'm very optimistic that this demand will spillover global dairy markets in the next 3-6 months. Unfortunately, it may take more human suffering, riots, and inflationary pressures to underpin the global dairy markets. So I'm also getting long pitchforks...



» **Comments in this article are market commentary and are not to be construed as market advice.**

SILAGE SAFETY

Ryan DeWit IDA Consulting Services, Inc.

Silage harvest is in full swing or close to it. I understand this is a busy time of year, if not the busiest. I wanted to take a minute to point out some silage hazards as well as some and tips for safety. The bulk of this information came from the FARM Safety manual on pages 74-77.

Unfortunately, every year you can find headlines of fatalities related to silage harvest or silage piles. There are multiple hazards that dairy owners, managers, contractors and employees need to be aware of when working around bunker silos and drive-over piles: falls from heights, tractor rollovers, machinery entanglement or run-over by machinery, avalanche or collapsing silage, and nitrogen dioxide. I encourage you to be aware of these hazards as well as communicating them with employees. The best way to do that would be hosting a quick meeting using the following as talking points.

» Best practice to have piles roped off, fenced or signs posted as shown above.



SEVERAL STRATEGIES OR POLICIES CAN BE USED TO BEST CONTROL THESE HAZARDS. THOSE INCLUDE:

1. Bunkers and piles should never be filled higher than the unloading equipment can reach safely. Proper unloading techniques include shaving silage down the feed-out face, and never digging the bucket into the bottom of the silage. As previously mentioned, undercutting the silage face creates an overhang of silage that can loosen and tumble to the floor. The silage face should be maintained to be as smooth as possible. If more silage is added to an existing pile or bunker, the plastic cover should be removed prior to adding additional silage. Silage should not be put on top of plastic covering, as this silage can easily slide down the plastic and become an avalanche during silage removal.
2. Workers should maintain a safe distance from the face edge when removing tires, plastic covers, and spoiled feed from the top edge of the face. Workers should approach the face edge carefully with minimal disturbance. A hooked pole or rod can be used to stay even farther back while pulling tires or plastic back from an edge that looks particularly unstable.
3. Never allow people to stand near the feed-out face, and a rule of thumb is never stand closer to the feeding face than three times its height. When sampling silage, workers can take samples from a pile of silage in the commodity barn, after it has been removed from the silage pile or bunker.
4. The perimeter of bunker silos and drive-over piles should be roped off or fenced, with proper warning signs posted.
5. Workers should never be allowed to ride in the bucket of a front-end loader when accessing the top of a bunker or pile.
6. Workers and farm visitors should not be in the vicinity of silage machinery or the silage face.
7. Bunker silos should not be filled higher than the top of the wall. To reduce the risk of a tractor rollover, a maximum slope of 1 to 3 should be maintained on the sides and ends of a drive-over pile.
8. All workers should be properly trained on the dangers of silage storage facilities.
9. Workers who have no job responsibilities involving silage storage facilities should not be allowed in their vicinity.
10. High-viz vests are encouraged for anyone working near the silage pit/pile.

Of course, these guidelines should be applied year-round, not just during the harvest season. These should be communicated with management, employees, family, families of anyone that live on the farm (employee's children), contractors, etc. Below you will find additional Silage Safety articles or resources. Please reach out to me at **806.265.5390** or **ryan@idahodairymens.org** with any questions or areas of discussion I could help with!



» Safest way to care for silage face. Silage tarp removed properly to minimize collapse risk while removing tarp and tires.



» Unsafe with high potential for avalanche or collapse. Lack of timely tarp removal.

FULL SAFETY MANUAL

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

RESOURCES

<https://www.dairyherd.com/article/top-10-silage-safety-tips>

<http://silagesafety.org/>



195 River Vista Place
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UPCOMING EVENTS

SEPTEMBER 10 IDA Resolutions Committee Meeting *Twin Falls*

OCTOBER 8 IDA Board Meeting *Twin Falls*

OCTOBER 31, NOVEMBER 1 University of Idaho Leadership Days *Moscow*

NOVEMBER 4-6 DMI/National Milk Annual Meeting *New Orleans*

NOVEMBER 12 IDA & Dairy West Board Meeting *Boise*

NOVEMBER 13 & 14 Annual Meeting *Boise*

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