

(Continued from *Economics of Organic Dairy Production*, page 10)
are now receiving more than \$28 with quality and component bonuses.

Organic feed concentrate costs have risen between 5 to 10 percent since 2004. They make up 90 percent of the purchased feed bill and amount to \$49,696 for our average organic farm. Second, fuel prices continued to rise in 2006, although stabilizing and declining in the later part of the year.

So how would farms do with an additional 10 percent increase in fuel price and a 7.5 percent rise in concentrated feed cost? The ROE would drop to -1.23 percent, and the average milk price would have to be \$25.74 per hundredweight for farmers to break even. To generate a positive return on assets of 5 percent, milk prices would need to be \$29.02 per hundredweight.

Despite the fact that many of the farms are not making an economic profit that will enable them to remain competitive, 85 percent of farmers in the study indicated they were "very satisfied" with their switch to organic. None were unsatisfied.

In conclusion, profitability was up 18.8% from 2004, primarily from higher organic milk prices. But the organic dairy sector is not as profitable as it was in 1999 due to faster rising production costs. There is a great variability between farms indicating that management is still the key ingredient for farm profitability.

What does the future offer? Organic dairy can be expected to be more profitable in 2006 as preliminary figures predict milk prices rose above \$27 per cwt with quality premiums. Producers with higher components were paid nearly \$30 per cwt. On the conventional side, we can expect 2006 milk to average closer to \$14 per cwt, nearly \$2 lower than 2005, feed prices up considerably as corn doubled, and fertilizer prices soaring. This explains why more than 80 farms are currently transitioning to organic dairy production this year in VT.

NOFA-VT staff, UVM Extension staff, and UMaine Extension staff are collecting 2006 income and expense information now; if you are interested in participating in this study, please let us know. More information will be forthcoming in the near future as we examine various aspects of the study.

For more info, contact Bob Parsons, University of Vermont, 802-656-2109, bob.parsons@uvm.edu, or Rick Kersbergen, University of Maine Extension, 207-342-5971, richardk@umext.maine.edu

Recognition goes to the following individuals for making this econ study possible: Glenn Rogers, Dennis Kauppila, and Qingbin Wang from the University of Vermont; Timothy J. Dalton, and Lisa Bragg, from the University of Maine; Maine Organic Milk Producers (MOMP); Nat Bacon and Willie Gibson, NOFA-VT ♦

NOSB Nixes Animal Cloning In Organic

By Kathie Arnold

Animal cloning is not for organic production, said the NOSB at their March 27-29, 2007 meeting. This action was in response to the US Food and Drug Administration's (FDA) December announcement of tentative approval of cloned animals and their products in the US food supply, with no requirement for labeling of food products from clones.

This quick action by the NOSB sends a clear message to organic consumers that they can continue to feel secure that organic food will not harbor the meat, milk, or other products from cloned animals. The NOSB work was on top of a statement that was issued by the National Organic Program (NOP) in January stating that animal cloning is prohibited under NOP regulations. However, that statement had left open the question of progeny of clones.

At first, it looked like the NOSB would table any action on cloning until the next meeting because of disagreement on wording, but Kevin Engelbert, acting as chair of the livestock committee at that meeting,

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worked diligently after hours to come up with satisfactory language and secure the support of almost the entire NOSB. The NOSB vote was 12 yes, 1 abstention, and 2 absent. The NOSB's recommendation is to add the term "animal cloning" to the definition of organic excluded methods, and to specifically mention that the disallowance does not include "artificial insemination". Additionally, the NOSB recommended the addition of a new sentence to the Origin of Livestock section in the regulation to specifically note that progeny of clones or their reproductive materials (i.e. semen, eggs) and all succeeding generations are prohibited from organic production.

These NOSB recommendations need to be adopted by the NOP to become fully official, but the NOSB has taken a quick step to get the process on its way. Below is the actual text adopted by the NOSB. The underlining shows the new wording the NOSB recommends be added to the existing regulations.

IV. Recommendation

The Livestock Committee recommends that the NOP implement rule change to clarify that

The NOSB's recommendation is to add the term "animal cloning" to the definition of organic excluded methods, and to specifically mention that the disallowance does not include "artificial insemination". Additionally, the NOSB recommended the addition of a new sentence to the Origin of Livestock section in the regulation to specifically note that progeny of clones or their reproductive materials (i.e. semen, eggs) and all succeeding generations are prohibited from organic production.

cloning technology be excluded from organic production. The Livestock Committee recommends the following change to existing regulation:

§ 205.2 Terms defined.

Excluded Methods. A variety of methods used to genetically modify organisms or influence their growth and development by means that are not possible under natural conditions or processes and are not considered compatible with organic production. Such methods include cell fusion, microencapsulation and macroencapsulation, animal cloning and recombinant DNA technology (including gene deletion, gene doubling, introducing a foreign gene, and changing the positions of genes when achieved by recombinant DNA technology). Such methods do not include the use of traditional breeding, artificial insemination, conjugation, fermentation, hybridization, in vitro fertilization, or tissue culture.

205.236 (b) The following are prohibited:

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(3) Livestock, progeny and all succeeding generation from cloned livestock reproductive materials, or any other products derived from animals produced using animal cloning technology

The Livestock Committee and the NOSB will work in collaboration with the NOP on further rule making recommendations as issues are identified. ♦



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A Farm Bill Year Calls For Farmer Activism

By Maureen Knapp

2007 is a Farm Bill year, and this is important because the Farm Bill sets the stage for the next 5 years. It seems that every other week, especially during Farm Bill years, there is a call to action for farmers to contact their representatives about one issue or another. It is much easier to act upon these "Action Alerts" when you know the person you are speaking to, especially if you have established a working relationship with them.

As farmers are now less than 2% of the population, and organic farmers even fewer in number than that, it not only behooves us to speak up for ourselves, it is absolutely essential. It's understandable that it may be uncomfortable to initiate a conversation with someone you don't know about a topic you may be lacking information on. It can be hard to step outside of one's comfort zone, but after you make the effort to stretch your boundaries, the discomfort eases or disappears, rather like sore muscles after a new activity. If you think of it as an educational experience and opportunity for personal growth, then the idea of doing such things becomes a little more palatable. At least it did for me.

At this particular time, opportunities for change abound because of the new blood in Congress. Many newly elected officials are being thrust into a debate they know little about and are grateful to hear from constituents the changes they'd like to see as well as how different aspects of the Farm Bill affect them. Once a relationship with an aide is established it is much easier to pick up the phone and call them for whatever reason, or email a question. Quite often they also turn to you for advice or an opinion because you are the expert. So, how do we go about this?

Often, different Non-Governmental Organizations (NGO's) will bring farmers and others to Washington DC to hold informational sessions for the purpose of educating on lobbying efforts. This is followed by actual congressional visits. These groups have done the research on the Farm Bill that farmers don't have time to do. Quite a bit of information is packed into these seminars and there is usually ample time for questions if you are still not clear about some things. The result is that when it is time to do the visits, you actually do know what you are talking about. Sustainable Ag Coalition www.msawg.org is one such organization. They have an outstanding website with all sorts reference and educational material. Another good one to investigate is

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