

# NEWSNOTES

## 2005 Northeast Dairy Convention September 11 - 14

Only a Month to Go Before the Convention Starts so Register Today, Contact our Office for all Registration and Event Forms!

The 18th Annual Combined Convention of NY State Dairy Foods, Inc. and the PA Assoc. of Milk Dealers will be held in Niagara Falls, Ontario Canada starting Sunday Sept. 11 through Tuesday, Sept. 13. If you are involved in the dairy industry, you should plan to attend and register now.

Many exciting events both business and fun are planned for the three day convention. Starting with Niagara Falls, it is one of the worlds most famous attractions. You'll be staying at the Marriott Fallsview Hotel, directly overlooking the falls. Each room has a spectacular view of the falls and sits directly across from all of the famous tour attractions. A tour of the sites is planned for Monday Sept. 12, everyone is invited to participate. Our golf outing will be on Tuesday at the Legends on the Niagara.

Niagara Falls Ontario has really grown in the past 10 years. Many famous restaurants and now two government run casinos, the newest only a block away from the Marriott await you.

We have invited professionals to speak on many business topics that will provide you with information you'll want to hear. Included are: Dr. Mark Stephenson, Cornell University, Dairy production and pricing forecast; Robert DuVal, Esq., Managing Disability Insurance Costs; Abe Bernstein, Pres. Wealth Inc., Personal Wealth and Preservation Planning; Michelle Albee Matto, Regulatory Affairs Mgr., IDFA, The Washington Scene; Stephen Tokofsky, VP/RAL Services, Health Insurance Savings; David Stark, Futures Broker, Downs O'Neil, Chicago, IL Desirability and Strategies, Why Hedge the Markets? Panel Discussion from industry pros including Mac McCampbell, General Mgr., O-AT-KA Cooperative plus many more!

If you have never been to our convention or are a frequent visitor, you should not miss this convention. You'll have an opportunity to mix business with pleasure. We encourage you to bring a guest and relax for a few days while learning more and recharging your batteries. For more information about how to register, please visit our website: [www.nysdfi.org](http://www.nysdfi.org) or call our office. Thanks and we hope to see you there.

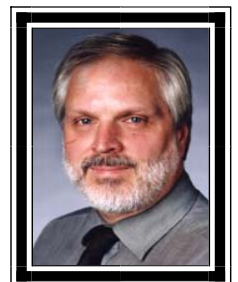


**Marriott Fallsview Hotel, Niagara Falls, Ontario Canada, Site of this Year's Convention**

### Some Of This Year's Speakers



**David Stark -  
Downs O'Neil**



**Dr. Mark Stephenson  
Cornell University**



**Robert DuVal, Esq.  
Unemployment Cost  
Control, Inc.**



**Steve Tokofsky  
RAL Services, Inc.**

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**Bruce W. Krupke**  
**Executive Vice**  
**President Report**

Hey Everyone, it is Convention time! In case you didn't notice, we've moved our convention from June to September.

The main goal for the move, to increase attendance. So I personally invite all of you very busy dairy industry people to the Annual Northeast Convention on Sept. 11 in Niagara Falls, Ontario Canada. Yes, you are right, we are going to Canada. The main reason, their side of the mighty Niagara is much more beautiful and there is a lot more to do there.

We've picked the Marriott Fallsview Hotel as the site of the convention. I've personally checked it out and I'm impressed. It sits right at the base of the Horseshoe Falls and it is really a sight you'll want to see. Each room overlooks the falls, you will be impressed.

If you come to the convention, here is what will happen. You'll meet others in your same industry, yes the competition might be there. So now you know their secrets, they relax once in a while, recharge the old batteries as they say, so shouldn't you? If you are saying you can't make time, if not now, when? Plan to attend now.

You'll get your money's worth if you attend. We have some really great business speaker sessions lined up for you to learn how to run your business more efficiently and effectively. But more importantly, bring your spouse or a guest and have fun while at the convention. We have a lot planned for everyone in the "FUN" category. We'll have tours of all of the favorite Niagara Falls attractions. Plus the Canadian government just opened a brand new casino only a block away. There are loads of great restaurants and local tourist attractions just outside the Marriott.

Do you play golf? We'll have our golf outing on Tuesday, Sept. 13 at the famous Legends on the Niagara Golf Course. It is a Captain & Crew format tournament and the golf course is fantastic. So just for fun sign up and who know, you might get a hole-in-one for \$10,000.00!

Now I know you are saying, this all sounds good, but I just don't have time to attend, or my boss won't let me go. Look at it this way, you can easily justify the three night trip by saying to yourself, I'll be working while I'm playing, what better excuse do you have to attend?

Seriously, I strongly encourage you to attend. Our friends from PA will be with us once again. This will be the 18th year we've combined our convention with the PA Assoc. of Milk Dealers. In fact, it will be our association's 72nd annual meeting overall.

In addition, some of your suppliers will be there, otherwise known as the Dairy Food Boosters. They help us each year by supporting and sponsoring many of our events for you to enjoy. I'd like to thank the entire convention committee headed up by board member Richard Rzeszotarski and the entire Booster Board of Directors, headed up by Pres. Bruce Ritenburg III for their help in preparing and planning for the convention. If you need registration forms please call our office or visit our home page website at [www.nysdfi.org](http://www.nysdfi.org). I hope you can make it and see you there!

# Marketing

## That Makes a Difference .....

### Major School Milk Test Generates Double-Digit Sales Increases

**WASHINGTON (July 18, 2005)** — The Milk Processor Education Program (MilkPEP) announced it's "St. Louis School Milk Test" resulted in an overall average increase in milk sales of more than 12% per school. The test, which was jointly sponsored by Prairie Farms, MilkPEP and the St. Louis Dairy Council, involved about 165,000 students at almost 300 area schools during the second half of the 2005 school year. The test experimented with new multi-colored paperboard packaging, improved flavor formulations and new flavors to determine which products are most popular with children.

If applied nationally, the results would translate into more than 600 million more unit sales of milk each year and 11 more units of milk for each student each year. More significantly, the best performing schools had increases of almost 35%.

"The test confirmed our hypothesis that enhanced paperboard packaging and new and improved flavors can significantly increase school milk sales," says International Dairy Foods Association Senior Marketing Manager Victor Zaborsky. "What was somewhat surprising was the huge increases in sales realized by schools that incorporated a number of marketing tactics to promote the new milk."

The quarter of participating schools in the "best performers" category utilized a number of variables to achieve success. The most common elements were displaying milk mustache celebrity posters and point-of-sale materials in the cafeteria, hosting sampling events and giving away prizes through special promotions. These efforts required nominal costs and paid for themselves in a few weeks.

To aid processors in promoting milk in schools, MilkPEP offers a wide variety of posters and POS materials through [www.milkpep.org](http://www.milkpep.org) and the milk hotline 1-800-945-MILK (6455).

The test's 290 participating schools were divided into three groups, each of which received a combination of enhanced paperboard packaging with colorful, kid-friendly graphics, and new flavors including strawberry, vanilla and a reformulated chocolate. One group offered students white, strawberry, chocolate and vanilla flavored milk in new milk packaging that featured bright colors and kid-appealing graphics. Another group offered the same packaging and white, strawberry and chocolate flavored milk. The third group offered white, strawberry and chocolate flavored milk, but the packaging had even more sophisticated graphics that used more colors and showcased active kids. Schools were provided with marketing kits and "got milk?" merchandise to assist with the test implementation; TRU Manufacturing Session Fixture Co. supplied new equipment to ensure that all participating schools served milk at the proper temperature. Finally, an additional 120 schools were the control group and had no changes to their school milk offerings. An [executive summary](#) and [full test results](#) are available to milk processors on [www.milkpep.org](http://www.milkpep.org).

Improved packaging and increased flavor variety are just two improvements identified in MilkPEP's "Capturing the School Milk Opportunity" program. To learn more about this program, visit [www.milkpep.org](http://www.milkpep.org) or contact Victor Zaborsky at [vzaborsky@idfa.org](mailto:vzaborsky@idfa.org) or at 202-220-3515.

**Membership Enrollment in CWT Tops 73% on Nation's Milk Supply**

Nearly three-quarters of the nation's milk supply is now contributing to Cooperatives Working Together, the historic farmer-funded program to help stabilize milk prices that has just begun its third year of operations.

With the addition of two more cooperatives into CWT's ranks—Southeast Milk Inc. in Florida, and Bongards Creameries in Minnesota—farmers who market 73.1% of America's milk output are now contributing 5 cents per every hundredweight of production into CWT. That money will be used in CWT's third year to help strengthen and stabilize farm-level milk prices through a combination of dairy herd removals, and cheese and butter exports.

"We're seeing that more people want to join the program and help us do bigger and better things as CWT moves forward," said Walt Wosje, Chief Operating Officer of CWT. "The obvious success of CWT is bringing more cooperatives and more of our milk supply into our membership, which means we can have more leverage in the marketplace."

CWT has enjoyed a solid increase in membership since it began operations in July 2003. More dairy cooperatives have joined each of the past two years, with a total of 48 now contributing to the program, along with hundreds of individual dairy farmers.

Wosje said that with the start of CWT's third fiscal year in July, CWT is now engaged in an outreach campaign to build on its membership base.

"We are using a combination of advertising and direct outreach to farmers, and their cooperatives, to solicit their support. Often we find that the best salesman for this effort are fellow farmers who believe that CWT has helped their milk check, and want their neighbors to get involved as well," Wosje said.

Since CWT started operations in July 2003, farm-level milk prices have been consistently above historic averages, reaching record-high prices last spring. In the past two years, CWT has removed approximately 1.7 billion pounds of milk through a combination of two herd retirement programs, periodic exports of cheese, and a reduced milk production program.

Earlier this summer, CWT's committee decided that the program's activities will remain focused on both reducing cow numbers, and boosting exports of manufactured dairy products.

Anyone interested in joining CWT may call 888-463-6298, or write to Cooperatives Working Together, 2101 Wilson Boulevard, Suite 400, Arlington, VA 22201.

*Press Release dated July 12, 2005*

**Schumer Targeted by an Anti-Tax Ad Campaign**

Senator Schumer, under fire from free-market activist Stephen Moore and like-minded groups over his support of the "death tax," will be the target of an upcoming advertising campaign in New York aimed at repealing the levy and stepping up constituent pressure on the state's senior senator, Mr. Moore and other taxation opponents said.

The American Family Business Institute, in partnership with the recently formed Free Enterprise Fund—of which Mr. Moore is outgoing president—will announce a series of 30-second television ads to run in the New York market. The ads are part of a \$7 million, 15-state campaign for repeal. The New York spots stress that Mr. Schumer has consistently opposed repeal of the estate tax, which its opponents label an unfair "double tax." The levy requires heirs to pay taxes on assets that were already taxed while in possession of their deceased benefactors.

The Free Enterprise Fund was established by Mr.

Moore in January upon his departure from the Club for Growth, the free-market lobbying organization Mr. Moore cultivated into one of the country's most effective political fund-raising groups. The institute boasts a membership of about 1500 family business owners, who, according to the organization's executive director, Dick Patten, make up the group most disproportionately harmed by the estate tax.

The tax is set to expire in 2010, but unless Congress intervenes to repeal it permanently, it will automatically go back into effect in 2011. According to Mr. Patten, Mr. Schumer is, in effect, telling senior citizens to "drop dead" in 2010 if they don't want see roughly half of their assets lost to the government.

Mr. Schumer's purported hostility to senior citizen will be a theme of the advertising. According to a transcript of similar TV ads running in other states obtained by The New York Sun, the American Family Business Institute will allege that Mr. Schumer and other proponents of the tax are exploiting members of America's "greatest generation." The ads use a World War II hero, Donald Malarkey, to narrate the advertisement.

The ads, Mr. Patten said, "are a shot across the bow" directed toward Mr. Schumer and Senate Democrats. Last month, the House of Representatives voted to repeal the tax permanently, on a vote of 272-162. The fate of the levy is now in the hands of the Senate, which is expected to take up the legislation before Congress recesses in August.

*The New York Sun, dated May 25, 2005*

**Regional News****Milk Pricing Legislation**

IDFA member companies and in-state allies successfully lobbied the Connecticut Legislature to defeat Bill 1361, which would give the state's commissioner of agriculture and the Milk Regulation Board the authority to set in-state milk prices, premiums and fees above the federal order minimum prices. The bill also would have added two member slots to the board for individuals who are "actively engaged in the sale, distribution or processing of milk." There are currently six members on the board.

The legislature approved House Bill 5573, which authorizes a comprehensive study of the state's dairy industry and adds two members to the Milk Regulation Board "who are actively engaged in the processing of milk"; the bill was signed into law by Governor Jodi Rell (R) on June 24. IDFA and Connecticut members did not oppose this bill and will work with the Milk Regulation Board to ensure that a thorough and accurate study of the dairy industry is conducted.

[www.idfa.org](http://www.idfa.org)

**Milk Promotion Legislation**

On May 12, the Massachusetts Joint Committee on Community Development and Small Business held a hearing on H.B. 3711, which seeks to amend current state law to permit milk promotions and/or coupons for all milk, not just flavored varieties. Representatives from Garelick Farms, IDFA and the Massachusetts Food Association testified in support of this legislation. In addition, HP Hood submitted written testimony in favor of the bill. There was no opposition to the bill at the hearing.

Massachusetts currently permits milk coupon promotions for flavored milk only. For two years, a coalition of farmers, bottlers, retailers and IDFA member companies has been working with state lawmakers to amend the law in order to allow milk promotions for all varieties of milk. IDFA and its in-state allies will continue to work with the legislation to pass H.B. 3711.

[www.idfa.org](http://www.idfa.org)

**Shaw's Cited for Cheap Milk Prices**

The Maine, consumer watchdog group, Maine Milk Commission recently entered into a consent agreement with supermarket giant Shaw's, based in Massachusetts, fining the company \$5000 for violations that occurred last January and were the company's third offense in five years.

The MMC, an appointed board, is required by state statute to meet once a month to set minimum wholesale and retail prices. They must reflect the lowest prices at which milk can be received, processed, packaged and distributed at a just and reasonable return. The prices set reflect national and local conditions, including that Maine's farmers have a higher cost of production than other New England dairy farmers.

Julie Marie Bickford, director of the Maine Dairy Industry Association, said the MMC's role is pivotal. "The commission helps a very complicated pricing system balance the interests of producers-farmers, processors, retailers and consumers," she said. "From the farmers' standpoint, this balance has meant they have had a way to discuss quality and quantity, even though there is a nationally-set milk price system." Bickford said the benefit for consumers is consistency that has resulted in Maines' shoppers regularly paying the lowest prices for milk in the nation. That's why the MMC took it seriously earlier this year when Shaw's violated the milk pricing guidelines, a pattern that began in the fall of 1999.

At its June 17th meeting, the Commission listened to the history of the violations and held a discussion regarding possible penalties. The Commission voted to have Stanley Millay, director of the MMC and Assistant Attorney General Lucinda White draft a consent agreement that contained a \$5000 suspended penalty that would in effect for two years. "If no violations occur during those two years, the agreement is fulfilled an subsequent violations by Shaw's would be dealt with without regard to previous violations," Millay said.

*Bangor Dairy News dated July 4, 2005*

**NYC Delivery Solutions Commercial Parking Program**

Firms with two or more vehicles providing expeditious delivery/service in New York City may be able to benefit from the NYC Department of Finance's parking violation settlement program known as **NYC Delivery Solutions**.

New York State law allows commercial vehicles to park to facilitate business operations. Therefore, companies that make expeditious deliveries, pick-ups, and/or service calls are eligible to have some parking tickets they receive significantly reduced or dismissed. In the past, a company had to see a judge to get these tickets reduced or dismissed. Now, these tickets can be reduced or dismissed automatically through **NYC Delivery Solutions**.

**NYC Delivery Solutions**—also referred to as a "stipulated fine" program—each parking violation is designated as *amenable* to reduction, *partially amenable*, or *non-amenable*, based on the severity of the parking infraction and State law. The type of violation determines whether the ticket will be dismissed or reduced. In lieu of contesting their tickets, participants in **NYC Delivery Solutions** receive the following benefits automatically"

- ◆ All *amenable* violations are dismissed.
- ◆ *Partially-amenable* violations are reduced by about 75% of the scheduled fine.
- ◆ *Non-amenable* violations are reduced by about 15% of the scheduled fine.

There is no fee for enrolling in **NYC Delivery Solutions** or for adding new plates to the list of vehicles that are already enrolled. To enroll download the **NYC Delivery Solutions** application at [www.nyc.gov/finance](http://www.nyc.gov/finance) or dial 3-1-1 to have an application mailed or e-mailed.

[www.nyc.gov/smallbiz](http://www.nyc.gov/smallbiz)

**All that Calcium, and Maybe Weight Control Too**

Is there something special about milk and other dairy foods that help people control their weight? Evidence suggests that calcium and other substances in dairy foods can foster weight loss and especially loss of life-shortening abdominal fat. There is also evidence that dairy foods can keep adolescents from gaining excessive weight and perhaps help adults control middle-aged spread.

Studies have found a strong link between low intake of calcium, dairy products or both and excess body weight, excessive weight gain, or health conditions that can shorten life. Recently the Heritage Family Study, done at six major medical centers among 362 men and 462 women, found that low calcium consumption was tied to a higher percentage of body fat especially abdominal fat, particularly in men and white women.

Can you lose weight by consuming more dairy foods? In research financed by the National Dairy Council, scientists led by Dr. Michael B. Zemel, director of the Nutrition Institute at the University of Tennessee, spent 24 weeks studying 32 obese adults who consumed 500 fewer calories than they needed to maintain their weight. The participants followed one of three diets: standard, with 400 to 500 milligrams of dietary calcium plus a placebo; high-calcium, or the standard diet with an 800-milligram calcium supplement; or high-dairy, with 1,200-1,300 milligrams of calcium plus a placebo. Those on the standard diet alone lost 6.4 percent of their body weight, those on the high-calcium diet lost 8.6 percent and those on the high-dairy diet lost 10.9 percent. In addition, more abdominal fat was lost on the high-calcium diet and even more on the high-dairy diet.

Another study supported by the National Dairy Council this year in the American Journal of Nutrition found that those who followed a high-dairy diet (1,300-1,400 milligrams of calcium daily) for a year ended up with the same changes in body weight and fat as those who consumed a low-dairy or medium-dairy diet.

Dr. Zemel, who has studied the role of calcium in regulating fat cell metabolism, also examined the effects of dairy sources of calcium in mice prone to obesity. He reported that beyond calcium, dairy sources "exert markedly greater effects in attenuating weight and fat gain and accelerating fat loss."

*New York Times dated June 14, 2005*

**CSPI Calls on FDA to Require Health Warnings on Sodas**

The Center for Science in the Public Interest says that data show teenagers are actually drinking more high-calorie soft drinks than ever and less diet soda than in years past—despite growing concerns about obesity. In a petition filed with the FDA, CSPI asked the agency to require a series of rotating health notices on containers of all non-diet soft drinks-carbonated and non-carbonated-containing more than 13 grams of refined sugars per 12 ounces. The typical 12 ounce soda contains 40 grams.

CSPI's petition is supported by the American Dental Hygienists Association, the American Society of Bariatric Surgeons, the Consumer Federation of America, the National Center for Health Education and others. Besides the health messages on labels, CSPI recommends requiring calorie labeling of beverages on chain restaurant menus and menu boards, and stopping soda sales in schools. CSPI also says that states and local governments that levy small taxes on soda should consider earmarking those revenues for promoting health and fitness.

[www.cspinet.org](http://www.cspinet.org)

## Some Good Stuff to Know..

### New York Farm Viability Institute Announces Grant Programs and Staff Openings

The New York Farm Viability Institute has announced an ambitious program of research and extension grants for 2005/06 and is seeking professional staff for a full-service institute office that will be opened in the Syracuse area this summer.

The NYFVI is a farmer-led organization that supports research, outreach and technical assistance projects aimed at removing barriers to profitability and success for producers in every segment of the state's agricultural sector. The Institute was founded in 2004 with start-up financial support from the New York State Department of Agriculture and Markets, and donated facilities from the College of Agriculture and Life Sciences at Cornell. A Board of Directors, made up of representatives of the state's leading farm organizations, has met monthly for the last sixteen months to develop a cohesive vision and sound management policies for the new Institute, which has received funds totaling nearly \$4.4 million from USDA and the state of New York.

The NYFVI will support projects in three areas during its 2005-2006 program cycle. **Extension Innovation Grants** for regional or statewide projects focusing on extension, outreach and technical assistance, **Agricultural Innovation Center Grants** to help producers add value to farm products, and **Applied Research Partnership Grants** to develop and demonstrate new or improved production technologies as well as innovative production and business management systems.

To implement this ambitious program, the Institute has immediate openings for both administrative and professional employees. Institute staff will provide oversight and evaluation of both new and ongoing projects and work with agricultural producers, extension workers, the research community, and farm organizations across the state to identify barriers to profitability that can be addressed through future Institute activities. Details on these employment opportunities, how to apply for these staff positions, as well as information on grant opportunities, can be found at the Institute's website, [www.nyfarmviability.org](http://www.nyfarmviability.org)

#### UPCOMING CALANDAR EVENTS OF REGIONAL INTEREST

**Sept. 11-14, 2005:** Annual NYS Dairy Foods, Inc. and the PA Assoc. of Milk Dealers Northeast Dairy Convention, Marriott Fallsview Hotel, Niagara Falls, Ontario, Canada.

**Sept. 13,** NYS Dairy Foods Annual Membership Meeting, 10:30am, Marriott Fallsview Hotel, Niagara Falls, Ontario Canada.

**Sept. 20-22,** NYS Assoc. For Food Protection Annual Conference, Holiday Inn, Liverpool, NY. Call Janene Lucia 607-255-7619 for info

**Sept. 21-23,** NYS Business Council Annual Meeting, The Sagamore, Bolton Landing, NY Call 518-644-9400 for info

### New York State Retail Milk Threshold Price Effective August 1, 2005

	<u>Gallon</u>	<u>Half Gallon</u>	<u>Quart</u>
Metro Region: (NYC & Counties Of Nassau, Suffolk, Rockland, Orange, Westchester, Putnam & Dutchess)	\$3.28	\$1.69	\$ .88
Upstate Region: (Remaining Counties)	\$3.07	\$1.58	\$ .83

Compared to the previous threshold, prices increased \$0.09 a gallon, \$0.05 a half gallon and \$0.02 a quart in Metro NY and \$0.10 a gallon, \$0.04 an half gallon and \$0.03 a quart in Upstate NY. The increase reflects the underlying change in the Federal Order Class 1 price (3.5% butterfat) which increased \$0.55 per hundredweight (\$0.047/gallon) from last month. The threshold price is calculated by multiplying by two the total of two components, the minimum federal order price and the premium paid for Class 1 milk.

A retailer who sells above the threshold price may be in violation of the law unless such selling price is justified as not being unconscionably excessive. Such justification includes net invoice price paid for the milk item plus actual costs incurred in handling and selling that milk item.

Please be advised that the threshold price is only changed if there is at least a \$0.02 per gallon (\$0.23/cwt) change in the underlying price for Class I (fluid) milk at 3.5% butterfat.

#### QUESTION OF THE MONTH

**Question:** I've heard that Medicare will have a prescription drug program available in 2006. How do I learn more about this?

**Answer:** If your employer has a retiree medical plan, certain employer actions need to be taken in 2005 to integrate the current drug plan with the new Medicare plan for 2006. Ask your employer about this. The Federal Centers for Medicare and Medicaid Services will be sending out the "Medicare & You 2006" handbook in October which will contain more details. Enrollment in a Medicare prescription drug plan will from November 15, 2005 through May 15, 2006 and if you join by December 31, 2005, the coverage will begin on January 1, 2006. You can also check for more information at <http://www.cms.hhs.gov/medicarereform/>.

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#### Visit our Website for More Dairy News!

Who merged with who yesterday? What are the future expectation of milk prices? Where is the convention going to be next year and what are those dates again? How do I sign up for that golf outing or that national convention? If you want to know the answers to these questions and stay in touch with the latest in dairy industry news and happenings with our association, it is easy. Simply click on our website at: [www.nysdfi.org](http://www.nysdfi.org). You can also email us to add your name to our dairy update member only email list.

# Dairy Market Watch

## SALES UPDATE—FLUID MILK

USDA reports that total milk sales for the first quarter of 2005 were down 0.8%. So far the bright spots of 2005 are lowfat and fat-free milk, which have had sales increase 0.9% and 1.3%, respectively, when compared to 2004 sales for the same time period. However, these increases have been offset by the significant decline of whole milk, which has decreased 5.8% for the first three months of 2005 when compared to January -March 2004.

The Bureau of Labor Statistics reports that the average price of a gallon of whole white milk increased 12% to \$3.18 in February compared to February 2004. In March, the price increased 14% to \$3.23 a gallon when compared to March 2004 prices. A 2004 MilkPEP study found that milk sales at retail are affected by price to a significant degree. For more information on the Milk Price Elasticity Study, visit the "FMSTI" section of [www.milkpep.org](http://www.milkpep.org).

## June Milk Production Up 4.3 Percent

New York dairy herds produced 1,019 million pounds of milk during June according to the USDA's New York Agricultural Statistics Service. This total is up 4.3 percent from the June 2004 level. The increase was the result of a higher rate of milk per cow this year compared to last year.

The number of cows averaged 647,000 head, down 9,000 from June of the previous year. Milk per cow averaged 1,575 pounds, up 75 pounds from the June 2004 rate.

Dairy farmers in the Empire State received an average of \$16.00 per hundredweight of milk sold during March, up 30 cents from February and 20 cents from March a year ago.

Milk producers in New York State received an average of \$14.80 per hundredweight of milk sold during June, down 40 cents from the previous month and down \$3.90 from a year earlier.

Milk production in the 23 major States during June totaled 13.7 billion pounds, up 5.4 percent from June 2004. Production per cow averaged 1,683 pounds for June, up 76 pounds from June 2004. The number of cows on farms in these 23 major states was 8.13 million head, 47,000 head more than June 2004, and 9,000 more head than May 2005.

[www.nass.usda.gov](http://www.nass.usda.gov)

Product	March Sales vs. YAGO (in millions of lbs.)	March-Sales vs. YAGO (in percentages)	Year-To-Date (in millions of lbs.)	Year-To-Date (in percentages)
Whole Milk	1474	-4.7	4293	-5.8
2% Reduced	1501	-1.0	4381	-1.6
1% Lowfat Milk	549	0.9	1605	0.9
Fat Free Milk	686	1.3	2000	1.3
Flavored Whole	67	-15.4	187	-21.5
Flavored Fat-Red. Milk*	342	-6.5	1026	3.9
Buttermilk	47	-3.2	130	-4.6
Total Milk** Products	4668	-1.7	13713	-0.8

\* includes 2%, 1% and fat-free flavored milk

\*\* adjusted for calendar composition

Region	March Sales vs. YAGO (in millions of lbs.)	March-Sales vs. YAGO (in percentages)	Year-To-Date (in millions lbs.)	Year-To-Date (in percentages)
Northeast	816	-3.3	2377	-2.4
Appalachia	297	-3.5	865	-3.0
Southeast	413	1.5	1216	0.7
Florida	265	1.2	770	1.1
Mideast	532	-4.0	1568	-3.1
Upper Midwest	380	0.4	1107	0.4
Central	395	-2.5	1159	-2.5
Southwest	361	-0.7	1058	-1.4
Arizona-Las Vegas	108	0.2	316	-0.2
Pacific NW	185	-0.9	533	-1.4
California	553	-1.0	1599	-0.9

## Photos of the Month

It's not summer if you don't participate in a golf outing or two. NYS Dairy Food's annual summer Ice Cream Clambake Golf outing was held on Wed. July 13th. Total attendance at the outing was over 120 golfers who enjoyed play at the Links at Erie Village in E. Syracuse, NY. The event was a great success with proceeds donated to the Organic Acedemia Society, supporting families of children with inborn errors of metabolism. Info about OAA can be found at [www.oaanews.org](http://www.oaanews.org)



Left to Right Pictured are: Butch Washburn/Washburn's Dairy; Earl Fink, Exec. VP of PA Assoc. Milk Dealers; Bob Mertz, VP Schneider Valley Farms; Kurt Platzbecker, Sales Mgr., Tetra Pak



Left to Right Pictured are: Bill Fitchett, Gen. Mgr. Marcus Dairy; John Siglow/Dairy Marketing Services; Bob Antonacci, Legal Counsel for NYS Dairy Foods, Inc., no hole-in-one for \$10gs made.