

NEWSNOTES

NYS Dairy Foods, Inc. Board of Directors Meet Discuss 2005 Legislative Issues

Tuesday February 15, the board of directors of NY State Dairy Foods, Inc. met in Albany to review legislative issues of importance for the upcoming year. The issues discussed dealt with both state and national topics.

William Fitchett, Chairman of the association's legislative committee provided a report and summarized the topics the association is focused on. He listed the issues, not in any order of priority as follows:

◆ **New York State Retail Milk Price Gouging Law**

The law has been in existence since 1991. The association has always had a position the law should be repealed completely and at the very least amended to allow costs other than raw milk to be included to help determine the maximum retail price.

◆ **Milk Case Sale Tax Exemption**

Milk cases are necessary to transport fluid milk products to the marketplace. The State Sales Tax Division has indicated milk cases do not qualify as packaging that is tax exempt. The association's position is that milk cases are necessary and no other viable packaging is available. Milk cases should be exempt from state sales tax.

◆ **Milk Dealer Licensing**

Two issues concern the association. The first deals with the transportation of milk for resale by retailers who do not hold a milk dealer's license by the state. Anyone who transports milk for resale should be required to obtain a license without exemption. The second issue surrounds vending companies. Two years ago Governor Pataki signed into law an exemption for vending machine companies from milk dealer licensing. The law should be repealed.

◆ **Recombinant Bovine Somatotropin, (rBST)**

Many bills have been introduced by State Legislators to make mandatory labeling of milk and dairy products that can't 100% confirm additional rBST hasn't been given to cows on the farm. The federal government has approved the bovine hormone for cows to help stimulate production and also have declared it to have no effect on humans. Mandatory packaging requirements are handled best by the federal government and individual states should not have different labeling requirements.

Continued page 5, left column

Are You a Pride Of New York Member?



When you bite into a crunchy New York State apple or enjoy a glass of New York State milk or wine, you can almost taste the pride. New York growers and food manufacturers are proud to provide a rich and diverse array of quality products such as locally grown produce, syrups and sauces, cheese, honey, meats, pasta and baked goods – fresh and processed products that never go out of season. The Pride of New York Program was developed to promote and support the sale of agricultural products grown and food products processed within New York State. The Program's growing membership now includes farmers and processors, retailers, distributors, restaurants and related culinary and support associations - all working together to bring you wholesome, quality New York State products.

Be part of the Pride, display the logo on your products. Look for products displaying the Pride of New York logo when you shop and support your neighbors – the generations of family farms and food processors who have made New York State one of America's leading suppliers of food and agricultural products. To participate contact the Ag. Department at 800-554-4501 or visit their website at: www.prideofny.com. One of the benefits for participants, they can also be part of the NY State Fair in August to showcase their products to millions of attendees.

CONVENTION DATES CHANGED FROM JUNE TO SEPTEMBER FOR 2005

Annual Northeast Dairy Convention

September 11-14, 2005

Niagara Falls, Ontario

This years convention is to be held at the luxurious Fallsview Marriott Hotel, with breath taking views from your room of the American and Canadian falls. Majestic Niagara Falls, Ontario offers many exciting things to see and do, be sure to mark your calendars now. Convention registration information will be mailed in the beginning of June. Plan now to attend!

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Bruce W. Krupke
Executive Vice
President Report

On page one I report our association's board of directors review of both state and national issues of importance we'll focus on this year. I'd like to ask all

members to bring to our attention any issue you think is important that should be discussed. I bring to our directors those issues that I think are the top priority topics we need to lobby on. Although, we want to hear from our members. The issue or topic can be anything from packaging, transportation, consumer or energy. What is on your mind and bothering you, what should our association be lobbying for or against this year?

Because it is the beginning of a new legislative session in Albany and Washington, I can tell you there will be many unknowns that will affect what laws get passed or not. The unknowns include terrorism, the war, the economy and most of all politics among the geographic regions of our country.

Here in New York State the problem is monetary and as always political. Throw in a late budget every year and you've got a real stew to deal with.

Many of the issues on page one discussed relate to fluid milk products. But don't be fooled if you are a cheese or ice cream manufacturer, there are issues out there that affect you as well. Take one bill introduced recently in State Senate (S02010) that will mandate package labeling with extra sodium and sodium compounds. Milk is excluded, but what about all those other manufactured products? Our association will oppose any labeling bill that does not conform to national labeling or standards of identity.

If you want to take a look at bills that are introduced each year in Albany, you can easily do so on the internet. Go to our association's website, nysdfi.org, click legislative update and then click bills. Insert the word you might look for in a bill such as milk, cheese or cream. In every two year cycle, over 10,000 bills are introduced in Albany, only a few hundred are addressed and passed.

In Washington, the hot topic will be MILC, or Milk Income Loss Contract. This is a subsidy program for dairy farmers. It was introduced about 2 years ago. It pays dairy farmers a subsidy when the Class I price dips below \$16.94/cwt. When the price is higher, no payout is made. Our board of directors are currently weighing the pros and cons of the program. You see, the program is set to expire on September 30, 2005. The question is, should it be allowed to expire or should Congress and President Bush extend it until the next Farm Bill is passed in two years? President Bush in campaigning last year said he is in favor of extending it. He recently said he would like to place a 5% cut on farm subsidy programs. Congress on the other hand, including both democrats and republicans around the country want to double the dollar subsidy limits. Our board is considering supporting the program for another two years, what do you think? Do subsidies help or hurt? Should the program expire or not? Let me know, I'd love to hear from you and I'll pass along your thoughts to the board and our readers.

Marketing

That Makes a Difference

Could Lowfat Chocolate Milk Be The New Alternative To Sports Drinks?

A new study by researchers at Virginia Tech found that lowfat chocolate milk was just as effective as a sports drink in promoting muscle recovery after a workout.

"Athletes may not think of milk as an important part of their training regimen, but this study shows that milk may provide yet another health benefit for them," says IDFA Senior Director of Marketing Corinne McGarrity. "Processors will want to incorporate this research into their media relations efforts surrounding the 'Fuel Up with Milk' online auction and 'Healthy Schools Challenge' program."

The study, published in the August issue of the *Journal of the American College of Nutrition*, examined 19 men between the ages of 18 and 25 to determine the effect that two different beverages had on their bodies after a workout. The study required the men to participate in a 10-week resistance training program and consume either lowfat chocolate milk or a commercial sports drink immediately following each workout.

Key Findings:

- ◆ Lowfat chocolate milk was just as effective as a sports drink in muscle recovery.
- ◆ Milk's unique combination of protein and carbohydrates appears to help muscles effectively refuel
- ◆ Both groups of men experienced a reduction in body fat and an increase in lean muscle mass

Processors are encouraged to promote this research and their brands with local media by using materials found in the "got news?" section of www.milkpep.org.

Order Your "Skinny Glasses" Today

MilkPep is now offering processors the opportunity to order "skinny glasses" similar to the ones used in MilkPEP's TV ads. The hour-glass shaped glasses will feature the two-color "24/24 Milk Your Diet. Lose Weight!" logo. Additionally, processors with a weight-loss license from IDFA can customize each glass with their two-color logo.

The glasses must be ordered asap. They are expected to be delivered in mid-September. The cost per glass is \$1.62 for the generic version and \$1.72 per piece for the glasses that include a processor logo.

To order "skinny glasses", visit the "Current Programs" section of www.milkpep.org.

Remember, nothing can be really done until somebody gets out and sells something.....

Share Your Marketing Ideas!

Do you have a promotion or marketing idea you would like to share with the industry? If so, please call our office or send us an e-mail. We'll accept stories, concepts, and pictures. Give us a call, we would like to hear from you and so would our other members as well!

IICA Asks FDA for Two-Year Extension on Trans Fat Labeling for small firms

A two-year extension of the trans fat labeling requirements for small ice cream companies would alleviate significant manufacturing costs and would not affect public health, according to a November 30th petition from the International Ice Cream Association (IICA) to the FDA. In the petition, IICA requests that FDA extend the labeling deadline to January 1, 2008, for about 30 small ice cream manufacturers that face unique challenges in complying with the rule by January 1, 2006.

“These small businesses face large economic burdens as they try to meet the rule’s effective date; yet, because the vast majority of the products of these small businesses contain no trans fat, there will be little to no harm to public health [by granting the extension],” said IICA in the petition.

Although dairy products, including ice cream, contain very low levels of trans fat, nearly all dairy product labels will have to change in order to accommodate the new line in the Nutrition Facts panel, even if the product can state “0 grams” of trans fat. More than 90% of food products made by small ice cream manufacturers contain “0 grams” trans fat under FDA’s final rule.

IICA notes that small ice cream companies will be particularly hard hit by the cost of the required labeling changed due to their specific production practices, such as producing many more products as compared to other small businesses and the bulk printing of labels far in advance to the date of actual use.

For instance, FDA’s trans fat rule estimated that the average cost per small business would be approximately \$12,000, based on an assumption that such companies would be changing five or six stock-keeping units (SKUs). However, IICA points out that “this assumption is simply incorrect” for small ice cream firms, which produce an average of approximately 220 SKUs. Based on a recent member survey, IICA has calculated that a small ice cream company would actually need to spend \$242,000 to \$572,000 in order to comply with the labeling requirements by the 2006 deadline—20 to 40 times higher than the FDA’s \$12,000 estimate.

IDFA hopes to hear back from FDA in the first quarter of 2005 on the status of the petition.

www.idfa.org

FDA Announces Final Recordkeeping Rule under Biosecurity Act

The FDA issued its final rule on the establishment and maintenance of food industry records as part of its expanded authority under the Biosecurity Act of 2002. This regulation requires manufacturers, processors, packers, distributors, receivers, holders and importers of food to keep specific records on their suppliers and customers, so that a questionable product can be traced one step forward and one step backward at each place in the distribution chain. IDFA is now reviewing the 350 page rule to gauge its impact on dairy companies.

“Our initial review indicates that FDA addressed several concerns we had with its proposed rule on recordkeeping, but we’re still analyzing this lengthy final rule,” said Clay Detlefsen, IDFA Vice President of Regulatory Affairs. “Members can plan to receive a full analysis from IDFA in the coming weeks to help with compliance.”

Companies with 500 or more full-time employees have one year—until December 9, 2005—to comply with the recordkeeping regulation. Small companies (11-400

full-time employees) must comply within 18 months, while very small companies (10 or fewer full-time employees) will have two years to comply.

When a situation arises where FDA needs access to record, the information must be provided to the agency within 24 hours. In a new two-page guidance document, FDA outlines the steps that the agency will take prior to requesting access to any records from a food company. Facilities will be able to keep the required information in any format, paper or electronic. The record retention period for human foods ranges from six months to two years, depending on the shelf-life of the product. Farms and restaurants are exempt from the requirement entirely.

The recordkeeping rule is the fourth of four food industry-related provisions in the Biosecurity Act, which was signed into law in June 2002 largely in response to the terrorist attacks on September 11, 2001. The other three regulations cover prior notice of imports, food facility registrations, and administrative detention of suspect food products. Each of the four provisions has gone through the FDA rulemaking process over the past two years, with IDFA participating at each step in order to help make the rule workable and effective. The other three rules have already been issued in final or interim final form.

www.idfa.org

Mike Johanns New Secretary of Agriculture

Many senators believe Johanns is the perfect person for the job, given his experience running a state with deep agricultural interests. “We could not have made a better choice,” said Sen. Pat Roberts (R-KS). Sen. Chuck Hagel (R-NE) said Johanns is up to the task and will be a strong leader on behalf of American Agriculture. “Mike will help guide US agriculture over the next four years and will be faced with many significant challenges,” Hagel said.

The International Dairy Foods Association commended the Senate Agriculture Committee’s vote earlier this month to unanimously approve Johanns as Ag. secretary.

At the committee’s confirmation hearing on January 6th, Johanns answered senators’ questions for three hours about a wide range of issues, including the importation of Canadian cows due to BSE concerns, the impacts of international trade on US agriculture, continued food security concerns, and specific dairy policy issues.

During the hearing, two Democratic committee members opined on the need to consider an extension for the costly Milk Income Loss Contract (MILC) payment program and a resurrection of the failed dairy compact experiment. The new Ag. secretary will likely encounter these issues, as well as efforts to impose additional tariffs on dairy imports and create more subsidy programs, IDFA reported.

IDFA senior vice president Chip Kunde stated that “such attempts will face serious opposition due to the government’s budget constraints that the governor acknowledged during testimony.” IDFA also noted that Johanns will play a pivotal role in promoting free trade.

Ann Veneman to Head UNICEF

Former agriculture secretary Ann Veneman has been appointed executive director of the United Nations Children’s Fund (UNICEF). She succeeds Carol Bellamy, who served for the past 10 years. Ann Veneman was the first woman to be secretary of agriculture. During her tenure, Veneman oversaw the reauthorization of food stamp and child nutrition programs, finalized the transition from paper food stamps to debit cards (reducing fraud within the program), supported programs to advance children at home and abroad. At USDA Veneman believes we are provided many unique opportunities to do things that truly matter, whether in protecting public health or securing the homeland or strengthening the position of farmers.

Dairy Farmers Vote on Amended Northeast Federal Milk Order

The United States Department of Agriculture announced a final decision that adopts certain amendments to current provisions of the Northeast Federal Milk Marketing Order. This decision is based on testimony and evidence given at a public hearing held on September 10-13, 2002, in Arlington, Virginia.

This decision adopts changes to various reporting and payment deadlines, as well as changes to the pooling standards of the Northeast Order. The adopted amendments include: establishing year-round supply plant performance standards, eliminating the “split-plant” provision, creating a standard for the number of days of production a dairy farmer must deliver to a pool plant to diversion, establishing explicit limits on the amount of milk a pool plant may divert to nonpool plants, excluding milk received by supply plants from producers not eligible to be pooled on the order from the total volume of milk used to satisfy supply plant performance standards, prohibiting the ability to pool the same milk on the order and on a marketwide pool administered by another government entity, and granting authority to the Market Administrator to adjust the “touch-base” and diversion limit standards as market conditions warrant.

The final decision was published January 31st in the *Federal Register*. USDA will conduct a vote within 30 days to determine whether dairy farmers approve the proposed amended orders. If approved, a final rule will follow to implement these changes.

Qualified cooperative associations of producers will be permitted to cast bloc votes on behalf of their members on all provisions of the order as amended. A producer who is not a cooperative member, or whose cooperative does not bloc vote, may vote by individual ballot. No voting proxy is permitted, and each producer will be entitled to one vote regardless of the number of farms the producer operates. Partnerships, corporations, and other business units or enterprises that operate dairy farms and which qualify as producers will be entitled to only one vote regardless of the number of partners, shareholders or other interested individuals which make up the organization. A notice of referendum, a summary of the provisions of the order as proposed to be amended, and a ballot will be mailed to all known eligible dairy farmers. Approval of the order as amended requires a yes vote from at least two-thirds of the dairy farmers who cast ballots.

Dairy farmers who may not have received a ballot through the mail and who feel that they are eligible to vote should call the Northeast Order Market Administrator’s Albany Office at (518) 452-4410.

US Dept of Ag News Release dated January 31, 2005

Supreme Court to Decide Constitutionality of Beef Checkoff by July

In early December 2004, the US Supreme Court heard both sides of the argument on whether the national beef checkoff program violates the free speech rights of some cattle producers who help pay for but don’t agree with the program’s marketing message. The court is expected to issue a ruling by July 2005.

Lawsuits regarding the beef checkoff have been moving throughout the courts for four years. The Supreme Court’s decision is expected to impact challenges to two other checkoff programs—the pork producer program and the dairy producer program, managed by Dairy Management Inc. (DMI). Lower courts have ruled against the constitutionality of these two programs, and both cases have appeals pending with the Supreme Court.

Media coverage of the lawsuits has often but

incorrectly stated that the “got milk?” campaign is among those programs being challenged in court. There have been no challenges to the dairy processor-funded Milk Processor Education Program (MilkPEP), which runs the National Milk mustache “got milk?” Campaign. The “got milk?” campaign that is run by California dairy companies is also not involved in any generic marketing litigation.

The Supreme Court has ruled twice already on checkoff programs. In 1997, the courts ruled in favor of the California peach, plum and nectarine industry program, finding that checkoff was constitutional within the strictly regulated tree-fruit industry. In the second case, in June 2001, the court ruled against the Mushroom Promotion Act, primarily because the justices found that mandatory assessments for industries that operate in a free market environment violated free speech rights.

USDA Outlines Milk Variety in School Lunch Regulations

December 8, the US Department of Agriculture (USDA) issued a final rule that puts into regulation the improvements to school milk contained in the new Child Nutrition Act. This act became law this summer with the strong support of IDFA and the National Milk Producers Federation.

Specifically, the new USDA regulation removes the requirement that schools must offer the same milk types that were consumed in the previous school year—a clause that stifled a school’s ability to offer new products on the lunch line that could appeal to its students. In its place, USDA has codified the authority for schools to offer flavored or unflavored milk, lactose-free milk, and milk of different fat levels. The effective date of the new rule is July 1, 2005.

IDFA Senior Vice President Chip Kundle commended USDA for its clear language, stating “this regulation has kept with the full spirit of the Child Nutrition Act as it was passed by Congress.”

In addition, the Child Nutrition Act included a provision that gives schools the authority to offer milk at anytime and anywhere on school premises or at school events.

This summer, the Milk Processor Education Program (MilkPEP) launched a comprehensive program to explain the two new milk provisions to school administrators. For more information on this program, milk processors can contact Victor Zaborsky at vzaborsky@idfa.org.

www.idfa.org

In State News

Comptroller Hevesi Proposes New Limits on State Debt

New York State’s debt has risen sharply in recent years to pay for “unsustainable levels of government spending,” Comptroller Alan G. Hevesi said in proposing tight new limits on state borrowing. “It is especially dangerous that the state continues to use massive amounts of debt to pay for day-to-day operating expenses,” he added, “That’s what led to the near-bankruptcy of New York City in the 1970s.”

The Comptroller proposed a Constitutional amendment that would close loopholes in a debt-limitation law Governor Pataki and the Legislature enacted in 2000, while limiting all state-funded debt to 5 percent of New Yorker’s personal income. Comptroller Hevesi proposed limiting new borrowing, over each of nine years, to 95 percent of debt issued in the preceding year. By 2014, that would bring total outstanding debt down to 5 percent of state personal income compared to the current 6.5 percent.

Comptroller Hevesi’s announcement and report are available at www.osc.state.ny.us.

Association Issues - Continued from Page 1

◆ **Bottled Water**

Water is bottled in milk plants using the same lines and or fillers in other state. The New York State Health Department by law does not allow milk plants to bottle water in the same equipment. NYS Dairy Foods, Inc. is requesting the State Health Department to follow other states leads and adopt regulations that will permit milk plants following strict guidelines to bottle water using all or some of the existing equipment.

◆ **Annual State and Agriculture Budget**

Agriculture is NY State's number one industry. Dairy is the largest segment of the agriculture industry. It is important for the state to allot sufficient funds to foster and protect the agriculture and dairy industry. We recommend the state to continue adequately funding agriculture and dairy specific programs to increase agribusiness economic development of new dairy products, technology, productivity and business in the State. Additionally, we support the passage of a well-balanced state budget on time as prescribed by law.

Another issue discussed by the board of directors was the possible support for the federal Milk Income Loss Contract subsidy program for dairy farmers, although it was tabled for the next meeting. If you have a legislative or regulatory issue to be considered by the association, please contact Bruce Krupke at the office.

Garelick Farms Introduces OVER THE MOON Milk

For milk drinkers who have felt that choosing milk involved a compromise between the rich, creamy taste of real milk and the health benefits of less fat, this product may be a dream come true.

Over the Moon milks are available in lowfat 1% milk that tastes like whole, and fat free milk that tastes like 2%. **Over the Moon** milk means consumers will never have to compromise the rich, full taste of real milk to get the health benefits of lower fat milk. "With **Over the Moon** milk, milk drinkers can finally meet both their taste and health needs. The response from consumers who've tried it to date has been overwhelmingly positive," stated Matt Samson, Marketing Director, Garelick Farms.

Over the Moon milk is 100% real, fresh Garelick Farms milk from New England dairies. The rich, creamy taste comes from adding more of the calcium and protein that is naturally found in milk. In fact, **Over the Moon** milk has 16% more calcium and 25% more protein than regular milk.

"We are so confident with **Over the Moon** milk, that we decided to back it up with a 100% money-back guarantee," explained Samson. "We don't believe there is any traditional lowfat or fat free milk out there that comes close to the taste of **Over the Moon** milk. **Over the Moon** milk stands apart in this category as a wholesome, real milk with less fat and great taste."

Consumers can find **Over the Moon** milk in the specialty milk section of the dairy aisle (usually adjacent to the regular gallon and half-gallon milk section). Consumers should look for the new, bright red and blue half-gallon cartons complete with convenient re-sealable twist caps. **Over the Moon** milks are sold throughout New England and upstate New York in supermarkets wherever Garelick Farms products are sold.

Garelick Farms, headquartered in Franklin, MA is one of the largest dairies in the northeastern United States, with a proud tradition of providing quality dairy products to New Englanders since 1931.

New York State Retail Milk Threshold Price Effective March 1, 2005

	<u>Gallon</u>	<u>Half Gallon</u>	<u>Quart</u>
Metro Region: (NYC & Counties Of Nassau, Suffolk, Rockland, Orange, Westchester, Putnam & Dutchess)	\$3.45	\$1.78	\$.91
Upstate Region: (Remaining Counties)	\$3.24	\$1.67	\$.87

Compared to the previous threshold for Feb., 2005, prices increased \$0.28 a gallon, \$0.14 per half gallon and \$0.07 a quart in both Metro NY and Upstate NY.

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.

Compared to November, December's minimum federal order Class I price (3.5% butterfat) is up \$1.64/cwt or (\$0.141 per gallon).

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 I milk.



EPA Chemical Reporting Deadline is March 1

Tier II (Software), Section 311/312 (Hazardous Chemical Reporting)

Tier II (EPA HQ) (5.0 DOS & WIN) is a free software program that allows a facility to electronically (via diskette) report its yearly EPCRA Section 312 Chemical Inventory Reports. These reports for the Local Emergency Planning Committee (LEPC), local fire department, and State Emergency Response Commission (SERC) are due by March 1st of each year. If you have questions regarding Tier II, please contact EPCRA team member Len Wallace at (617) 918-1835.

Click here for Internet Website Info:

http://oaspub.epa.gov/webi/meta_first_new2.try_these_first

Start planning your June Dairy Month and July Ice Cream Month Promotions Now!

If you could use promotion buttons or clip art, contact our office, we have supplies!

Do you have comments regarding our newsletter, responses to our editorials or info you want to share? If so, send us your thoughts in writing to the address at the top right corner of page 1 or email us at info@nysdfi.org

Dairy Market Watch

SALES UPDATE—FLUID MILK

USDA reports that milk sales through October 2004 were down 1.5% compared to the first ten month of 2003 (when adjusted for calendar composition). Mainly attributed to price increases, all fat levels of milk had declining sales. However, October sales for 2004 of lowfat milk were 0.1% higher than October sales in 2003. Another bright spot continues to be reduced-fat flavored milk sales, which increased by 8.8% through October when compared to the same time period in 2003.

The Bureau of Labor Statistics reports that the average price of a gallon of whole white milk was \$3.16 in October 2004 compared to \$2.91 in October 2003. This reflects an almost 10% increase in the price of milk in the U.S. for that month. A recent 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. 20% increase in the price of milk in the US for that month. A recent 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.

MilkSplash January 2005 Vol. 9, No. 1

Product	October Sales vs. YAGO (in millions of lbs.)	October-Sales vs. YAGO (in percentages)	Year-To-Date (thru Oct in millions of lbs.)	Year-To-Date (thru Oct in percentages)
Whole Milk	1473	-6.0	14715	-3.2
2% Reduced	1473	-2.7	14517	-0.6
1% Lowfat Milk	537	0.1	5153	-1.2
Fat Free Milk	666	-0.7	6482	-1.3
Flavored Whole	72	-23.2	714	-16.6
Flavored Fat-Red. Milk*	357	2.9	2908	8.8
Buttermilk	44	-11.5	443	-4.2
Total Milk** Products	4704	-1.2	44984	-1.5

* includes 2%, 1% and fat-free flavored milk
** adjusted for calendar composition

Region	October Sales vs. YAGO (in millions of lbs.)	October Sales vs. YAGO (in percentages)	Year-To-Date (thru Oct in millions of lbs.)	Year-To-Date (thru Oct in percentages)
NE	815	-2.3	7898	-0.8
Appalachia	293	-4.8	2889	0.0
SE	415	0.2	3957	-1.2
Florida	248	1.0	2428	1.2
Mideast	533	-1.7	5187	-1.1
Upper Mid W.	373	-3.3	3578	-1.2
Central	398	-3.3	3836	-0.8
SW	361	-3.5	3490	0.0
Arizona-Las Vegas	105	-6.7	1073	-0.8
Pacific NW	183	-3.6	1779	-0.8
Calif.	5558	-1.6	5279	-2.4

UPCOMING EVENTS OF INTEREST

EPPA EVENING - AT - THE - RACES Sponsored by Eastern Perishable Products Association, Inc. March 30th 6:00pm. For information call (201) 288-5454.

TAKE CONTROL OF YOUR PROPERTY TAX ASSESSMENTS Sponsored by: The Business Council of NY and Regional Chambers of Commerce and Associations. April 5th in Syracuse and April 6th in Saratoga Springs. For more information and registration form visit their website www.bcnys.org

2005 AGRI-MARK ANNUAL MEETING to be held in Springfield, MA on April 13th and April 14th. For more information call (978) 689-4442.

EPPA SHOW 'N SELL Sponsored by Eastern Perishable Products Association, Inc. April 20th and April 21st in Secaucus, NJ. For more information email eppa@eppainc.com

QUESTION OF THE MONTH

Question: We offer several medical plans to our employees. What plan(s) must be offered under federal COBRA?

Answer: Qualified beneficiaries must be offered the coverage identical to that available to similarly situated active employees and beneficiaries who are covered under the plan. This means the same coverage that the qualified beneficiary had immediately before qualifying for COBRA continuation coverage. A change in benefits under the plan for active employees will also apply to qualified beneficiaries. Qualified beneficiaries must also be allowed to make the same choices given to active employees and beneficiaries under the plan, such as during periods of open enrollment

The Business Council of NYS, Inc. Vol. 16 No. 1

Visit our Website for More Up to Date Dairy Industry 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. You can also email us to add your name to our dairy update member only email list.

Association Calendar of Events

Sept. 11-14, 2005: Annual Northeast Dairy Convention in Niagara Falls, Ontario

Wednesday, July 13, 2005: Clambake Golf Outing, Links at Erie Village, E. Syracuse, NY 7:30am shotgun start. Also, Northeast Ice Cream Supplier Clambake at Hinderwadel's Grove, N. Syracuse, 1:00pm start. Watch for more information this spring!