

# NEWSNOTES

The Official Newsletter of New York State Dairy Foods, Inc. and the Northeast Dairy Association, Inc.

## In New York City Schools, Whole Milk Is Cast From the Menu

New York City, the nation's largest schools district had decided to cut whole milk from the menu. This is apparently a knee jerk reaction to the recent heightened awareness and press about how kids are becoming more obese.

The school district, made up of about 1.1 million kids, serves about a half-million half pints a day. It is expected that all of the 5 boroughs will have eliminated not only whole milk from the menu very soon, but also most flavored milks such as strawberry and vanilla as well.

The district has decided to replace the whole milk with 1% and skim milk only. Chocolate skim milk will remain an option in most schools, despite the misgivings of some doctors and nutritionists.

The changes were initially proposed by a health advocate group from the Bronx. Many City education officials, including the schools system's head chef supported the decision because it would improve the health of the school population. The policy now becomes one of the strictest milk policies in the nation. Other school districts such as Los Angeles have also opted to shift away from whole milk.

The City received \$340 million in federal reimbursements for school food last year. This was a major concern when they adopted the policy. They did not want to jeopardize the subsidies in any way by making a decision that would cause them to lose the subsidies. There is a possibility that if kids don't like the milk they are consuming, they might not buy

## Governor Pataki Announces \$1.1 billion Business Tax-Cut Plan

Governor Pataki Wednesday proposed a sweeping, \$1.1 billion business tax-cut plan and a workers' comp reform proposal, both of which will be part of the 2006-07 Executive Budget that he will release Jan. 17. "We've proven over and over again that tax cuts create the financial freedom that creates new jobs and new opportunities for New Yorkers," Governor Pataki said. "Whether it's cutting taxes by billions of dollars each year, creating the Empire Zone program, or reforming Workers' Comp -- we know that lowering the cost of doing business is the way to create new jobs and expand the economy."

The NYS Business Council had strong praise for the proposals.

"The Governor's proposal today is big news and welcome news," Business Council President Daniel B. Walsh said in a statement. "When businesses invest and make a profit in New York, they create jobs. Cutting tax rates and eliminating barriers to capital investment, as Governor Pataki has proposed, represent a powerful combination that will improve our competitive standing dramatically."

"New York has the nation's heaviest overall tax burden and second-highest workers' comp costs on a costs-per-case basis, and these unacceptably high job-creation costs keep our job-growth down."

"The Governor today is telling all New Yorkers that these realities are unacceptable and state government must address them. And he has outlined an aggressive plan which, if adopted, will benefit New York-

## Governor Pataki Announces New Agriculture Commissioner - Replaces Nathan Rudgers

Governor George Pataki has asked Patrick H. Brennan to serve as Commissioner of Agriculture and Markets, replacing Nathan Rudgers.

As the State's Agriculture Commissioner, Patrick Brennan will oversee the responsibilities of the Department of Agriculture and Markets, an agency that has both regulatory and promotional oversight of the food and agricultural industry, including the New York State Fair. Previously, Mr. Brennan served as the State Director for Rural Development with the United States Department of Agriculture overseeing a \$200 million budget to create economic development opportunity and improve the quality of life in rural New York. The position will pay \$120,800 annually.

The nomination requires Senate confirmation. The Governor also announced that Mr. Brennan will serve as Acting Commissioner of Agriculture and Markets until confirmation.



Patrick H. Brennan

## Industry Debates Merits of Raising Make Allowances in Federal Orders

Alexandria, VA-The benefits and potential problems of raising make allowances in Class III and Class IV pricing formulas under federal milk marketing orders were debated by industry representatives at an emergency hearing Jan. 24-27.

US Department of Agriculture (USDA) Administrative Judge Peter M. Davenport convened the hearing on Tuesday morning, explaining that the hearing would focus on Class III and IV make allowances as well as on whether emergency conditions exist that would warrant omission of a recommended decision.

USDA had called the hearing in response to an initial petition submitted by Agri-Mark Cooperative, a New England based dairy farmer cooperative. Agri-Mark owns and operated two cheese plants in the northeast. Robert D. Wellington, Sr. VP of economics, communications and legislative affairs for Agri-Mark outlined the co-op's proposal.

A controversy that emerged during the hearing concerned a proposal from National Milk Producers Federation (NMPF) that would have essentially decoupled Class III and Class IV from Class I and Class II prices. While it supported the proposal to raise make allowances, NMPF wanted those higher make allowances applied only to Class III and Class IV prices. This could be accomplished by restating the current formulas in the price definitions for Class I and Class II milk and components, NMPF explained in written testimony that was submitted Thursday as a hearing exhibit.

Charles English, Jr., and attorney representing New York State Dairy Foods, Inc. objected to the NMPF proposal along with Steve Rosenbaum, CONTINUED PAGE 3, COL. 2



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

There has been a lot of action out there in the past few weeks since I last reported to you in this newsletter. Lets start with our state legislature and politics.

Our state Ag. Commissioner Nathan Rudgers has submitted his resignation to take an opportunity with a business in western New York. On behalf of our association, we thank him for his hard work during his tenure for the dairy industry. We know he sincerely had the best interests of the agriculture industry in his heart.

With his resignation comes a new appointment by Governor Pataki as reported on page one for the post, he is Patrick H. Brennan. Mr. Brennan comes from a dairy farm family in Central New York. So he has good knowledge of the agriculture industry. We wish him the best in his new job and look forward to working with him in the future.

Speaking of Governor Pataki, as you all know he has decided not to run for a fourth term. I was relatively new to this job back when he was first elected in 1994. We had just come off another three term Governor, Mario Cuomo. At the time I thought change is good. After three four year terms I personally believe that any elected official should move aside and let new blood run through the veins of our government. Yes, I do believe in term limits. Although I digress, that is another topic for another day.

Waiting in the wings appears to be frontrunner and current Attorney General Eliot Spitzer. The republicans have yet to find a suitable contender for the governor's spot.

What does all of this mean for you? Well Governor Pataki is a lame duck in most respects. The whole political spectrum has now changed from a year ago. Somehow the state has more money, a bit of a surplus in fact that should make the whole budget passing process a bit easier, but not necessarily on time. More money to spend is easier than having to make cuts.

While all of this going on, our association is focused on some important legislative issues. I encourage each of you to visit our association's website, ([www.nysdfi.org](http://www.nysdfi.org)) click on Legislative Update and read about those issues we are working on your behalf. Some include: Amending the retail milk price threshold law; Exempting milk crates from sales tax; Strengthening Wholesale customer payments and more. You should also click the word bills. There you can read the 25 or so that are waiting to be passed that will affect you and your business. With a different administration a year from now, many could become very contentious. We'll be mailing each member a copy of our legislative efforts in the mail.

Next issue. If you distribute wholesale milk and dairy products, you should have received from our office information about the National School Wellness Policy. This policy was established as a mandate to each and every school district in the nation to adopt an internal policy that focuses on school food, nutrition and physical wellbeing. As you can imagine, this opens a Pandora's box that will be very political and potentially bad for the milk and dairy industry. You have to be involved with your school districts and help them adopt policies that do not eliminate or reduce sales of your products. The Wellness Policy information can be viewed on our website from our home page under What's New? Or you can request a copy from our office.

I can't tell you how important it is to fight for your products. On page one I reported the story about New York City's elimination of whole milk. This is a travesty for our milk industry. Since when does our product become "unhealthy" for kids. The message New York City is sending is wrong and can only lead to further decline in milk consumption. We need to work hard to protect our turf, we have a great product and it is time to take the offensive and start fighting back. Otherwise the other beverages that compete for our customers will eventually win. What do you think, let me know!

# *Sales & Marketing That Makes a Difference .....*

## **MilkSplash Reports - School Foodservice Directors Capture Milk's Opportunities at Free Seminars**

In November MilkPEP launched the next phase of its "Capturing the School Milk Opportunity" program with free seminars for school foodservice directors in more than 55 cities. The free seminars are co-sponsored by the School Nutrition Association (SNA) and will educate participants about how making improvements to school milk offerings can significantly improve students' nutrition and help a school's financial bottom-line.

The seminars are part of SNA's Certification Program, so directors can earn Continuing Education Units.

To develop the content, MilkPEP talked with many processors and school districts that have taken significant steps to make milk more competitive with other beverage offerings. There is no single fix for school milk, so MilkPEP's "Capturing the School Milk Opportunity" materials include a variety of suggested tactics and tools processors and schools can use together to create a unique school plan.

The seminars are free to SNA members. Interested school foodservice directors should register at [www.schoolnutrition.org](http://www.schoolnutrition.org). The seminars are not open to processors. However, MilkPEP will give processors attendance rosters from seminars in their markets so that they can follow-up directly with participants. Processors with questions about the "Capturing the School Milk Opportunity" program should contact Victor Zaborsky at 202-220-3515 or at [vzaborsky@idfa.org](mailto:vzaborsky@idfa.org). There will be a "Capturing the School Milk Opportunity" seminar for school foodservice directors to be held in Syracuse on March 21, 2006

## **Smart Marketing Puts the "Future in Focus" in Vegas**

*Register now for IDFA's Smart Marketing March 15-16 in Las Vegas*

The "Future in Focus" is the theme of this year's IDFA Smart Marketing Conference, March 15-16 in Las Vegas, with a packed program to help companies frame and manage the many changes in the dairy marketplace.

Sessions will examine the future of all aspects of dairy marketing – from package design to new product trends, as well as specific business channels such as foodservice and grocery, and consumer behavior. Two post-conference workshops will help processors build successful retail strategies and examine ways to maximize sales and marketing programs.

"We've recruited great speakers to inspire attendees to look at their businesses in new ways to help them achieve profitable growth for the next five to 10 years," says IDFA Senior Manager of Marketing Victor Zaborsky.

Smart Marketing will also present the "Hall of Innovation" exhibition, featuring the latest dairy products, supplies and equipment geared toward new dairy product marketing. And on Thursday, March 16, IDFA will announce the winners of the prestigious 2006 Achieving Excellence Marketing Awards at a special luncheon. The awards, co-sponsored by IDFA and *Dairy Field* magazine, honor the best in dairy industry packaging, marketing, point-of-sale materials, public relations, new products and advertising, among other categories. All entries will be on display during the Smart Marketing conference. To register for Smart Marketing, visit the "Meetings & Trainings" section of [www.idfa.org](http://www.idfa.org).

## Kosher Foods Hitting Main Stream

By Adam Goldman The Associated Press NEW YORK

When Albertsons hired Yakov Yarmove more than three years ago, the company found a point man to navigate what might seem an unlikely market for a grocery chain with stores in places like Cheyenne, Wyo.: kosher food.

Albertsons has since dramatically expanded kosher aisles at hundreds of its supermarkets across the country. The giant grocery chain has also launched more than two dozen kosher destination stores that include everything from bakeries to delis.

"There's a kosher awakening," said Yarmove, an observant Jew who is Albertsons' corporate kosher, marketing and operations manager. "Kosher was perceived as scary and foreign. Now it's perceived as chic. I think everybody is realizing that there is an opportunity."

Idaho-based Albertsons -- which may soon have a new owner -- is just one of many companies competing for a lucrative slice of the kosher industry.

The \$9 billion kosher market is growing at a rate of 15 percent a year. Meanwhile, total grocery-store sales grew 4.4 percent during the first 11 months of 2005, to \$424.8 billion, compared with 2004, according to the Food Marketing Institute.

Experts say the boom is being fueled by several factors, including vegetarians and younger customers looking for more healthful and safer food, the same demographic that has helped the organic market take off. Plenty of these customers are not Jewish. "When I take the matzos to the church, they love it," said Ursula Torres of New York, who was buying 100 percent wheat matzos recently at Streit's, a Jewish landmark on the Lower East Side.

Marcia Mogelonsky, a senior research analyst with Mintel International Group, a Chicago-based consulting firm, recently completed a nationwide study in April that produced some surprising results about the kosher craze. She found 55 percent of the people who buy kosher products believed the food was better for them -- almost double the number in a similar study Mogelonsky conducted in 2003. "They trust the kosher symbol like they'd trust the Good Housekeeping seal," she said.

Part of the trust, Mogelonsky said, is derived from how the animals are raised. According to Jewish law, they cannot be pumped with antibiotics, additives, hormones or fed animal byproducts. Companies haven't overlooked the advantages of selling kosher, which means the food was prepared under Jewish dietary laws.

Manischewitz, one of the best-known kosher-food companies, is developing an advertising campaign that says the name is "Jewish for good food."

Hebrew National, a division of ConAgra Foods, has always touted that famous tagline found on its packages: "We answer to a higher authority." But over the summer, the company decided to move the "Finest Kosher Quality" seal to a more prominent spot on certain product packaging.

Lou Nieto, president of packaged meats at ConAgra, said two things are driving the double-digit growth at Hebrew National, which recently opened a new state-of-the-art kosher facility in Michigan. "First and foremost is taste, but number two is that it's 100 percent kosher beef -- nothing artificial," said Nieto, who oversees the Hebrew National brand.

He added that sales were being bolstered by non-Jewish customers, who devour the company's hot dogs at hundreds of venues nationwide. To meet demand, the industry has undergone radical changes, recognizing that kosher food is more than traditionally bland matzos, gefilte fish and borscht.

The transformation was on display in November at Kosherfest 2005, a convention in New York that drew more than 6,100 retail and food-service buyers, manufacturers and distributors from 36 countries.

"Today, all the hippies buy this stuff," said Nissim Ohana, a

20 year retail veteran who distributes products from Sabra Go Mediterranean, one of the biggest hummus brands, produced by Blue & White Food Products in New York. In two decades, Ohana, an Israeli, has seen the number of Brooklyn

**CONTINUED FROM PAGE ONE, MAKE ALLOWANCES** attorney for the Milk Industry Foundation. After hearing arguments, Judge Davenport ruled that the proposal was outside the scope of the hearing and therefore would not be allowed.

Dairy economist David Arms, Sr. was prepared to submit written testimony on behalf of NYS Dairy Foods opposing NMPF's proposal. Mr. Arm's commented "I expect we will see some other proposal from the dairy farm community regarding this issue, we should be prepared to that extent."

Ben Yale, attorney representing, Select Milk Producers, Continental Dairy Products and Dairy Producers of New Mexico objected to Agri-Mark's petition throughout out the entire hearing. Independent dairy farmers from other parts of the country were also in attendance objecting to the lack of timing of the notice and to Agri-Mark's proposal as well. Bruce Krupke, Executive VP for NYS Dairy Foods said "the hearing was long but it was important for us to be present representing our membership. We need to be vigilant to proposals that will increase the cost of raw milk for our members I'm sure we haven't heard the last from this hearing."

## U.S. Dairy Exports Grow in 2004/2005

10 Jan 2006, 16:59 GMT - The total quantity of US dairy exports grew by 35% in 2004, and by a further 15% in 2005. Importantly, since early 2004, these exports have been prompted without US government subsidies through the Dairy Export Incentive Program. The increase in US dairy exports has far outpaced the increases in dairy product imports, which grew by 5% in 2004 and 7% in 2005 through October each year.

The value of US dairy exports is also growing faster than the value of imports. Through October 2005, US dairy product exports totaled nearly \$1.4 billion, up 20% over the same period in 2004. US imported dairy product value in the same 2005 time period increased only 11%, to \$2.1 billion.

The top six countries receiving US dairy products in 2005 include the nation's two continental neighbors, with \$419 million of exports going to Mexico and \$181 million to Canada. Other destinations with more than \$50 million in US exports include Japan, Philippines, Indonesia and China.

This growth of US exports comes during a time when world prices for dairy products are on the rise. The annual average world price for skimmed milk powder has been above both the US dairy support price and the benchmark price for West Coast nonfat dry milk for the past two years.

## Pataki Tax-Cut Plan *(continued from page 1)*

The new measures would reduce Workers' Compensation costs for businesses by more than 15 percent, while increasing benefit levels for injured workers by 25 percent," the release said.

The budget will also include legislation that would "accelerate" the designation of nine new Empire Zones in the handful of counties that do not currently have one as well as increase the state's Excelsior Linked Deposit Program by \$60 million. The program allows financial institutions in the state to make low-interest loans to small businesses.

The business-tax proposals follow Governor Pataki's call for elimination of the state's estate tax. That reform would help many family-owned businesses in the state.

Many of the proposals included in the Governor's package were recommended by a commission on tax reform and simplification created last year by the Governor and chaired by economist Lawrence Kudlow.

**Whole Milk Eliminated...**

Continued from Page 1

lunch and then there would be a risk to the amount of money received from the federal government.

The regional American Dairy Association located in Syracuse, NY urged the City to expand their product line to include flavored milks. They warned that milk consumption will drop due to the fact kids might not appreciate skim milk and prefer flavored milk.

Local health officials did question the elimination of whole milk and the effect of kids possibly not drinking as much milk and not getting enough calcium in their diets. The eventually were more concerned about the obesity rates increasing and felt the step was worth the risk.

Officials monitoring the schools that have already eliminated whole milk say consumption is down about 5%. Schools that stopped serving chocolate milk consumption is down about 15%.

New York City has a larger share of consumption of whole milk, about 37% compared to the rest of the nation at 30%. Consumers prefer whole milk because traditional eating habits are different.

Rick Naczi, Executive Vice President for American Dairy Association and also VP of School Marketing for Dairy Management Inc., said "milk consumption in this country is in a 20-year decline because of competition from soft drinks; obesity is on the increase. He added I don't know how you can take a decreasing graph and blame obesity on this product."

# Mark Your Calendars!

**Wed. March 1, Board of Director's Meeting, Desmond Hotel, Albany, NY 9:30am**

**Monday, March 6, NDA, Inc. Technology Committee Dinner Meeting, and Tour/Guida Dairy, time and location TBD**

**Wed. July 12, Clambake Golf Outing, Open to all Members. 7:30am shotgun, Links at Erie Village, E. Syr. NY**

**Wednesday July 12 NDA, Inc. Clambake, Hinerwadel's Grove, N. Syr., 1pm**

*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](mailto:info@nysdfi.org)*

**Study Says it's Tough to Make a Profit on Organic Dairy**

WEST SWANTON, Vt. --A new study by researchers at the universities of Vermont and Maine has concluded that making a profit from running an organic dairy operation can be difficult. Of 30 organic dairy farms whose financial performances they studied in 2004, two-thirds have failed to make a profit.

"Overall, we find that the average organic dairy operation was not profitable in 2004. The average rate of return on farm assets was minus 2.9 percent," the researchers reported. Some were surprised by the findings because dozens of conventional dairy farms have switched to organic production. Many were enticed by the promise of higher and more stable prices.

West Swanton farmer Earl Fournier said he was not surprised, although his operation has been improving. The profit on his 75 milk cows tripled from \$9,000 to about \$30,000 in 2004-2005.

"The numbers don't make you jump out of your chair, but I can say for certain I'm no worse off and the potential to be really better off is there," he said. "I didn't think this farm was sustainable into my retirement. Now I think it can be," Fournier said.

Demand among consumers for organic milk has been increasing 20 percent or more a year, although supply has not kept up. Organic milk, he calculated, would pay him at least \$1.85 a gallon. In 2006, he will be paid at least \$2.24 a gallon. But feed costs are higher on an organic operation and the production is lower, often wiping out the premium that farmers earn, the study said.

"You've got to know what you're doing," said Glenn Rogers, a UVM Extension agent and one of those who worked on the organic farm research.

Rogers said the study was just a one-year view of the industry and it may look different in the second year. The value, he said, is emphasizing the importance of careful, realistic financial planning, which Fournier said was valuable.

"This isn't a business for everybody," Fournier said. "You have to be able to manage your cows and your land differently." Information from: The Burlington Free Press.

**QUESTION OF THE MONTH**

**Question:** What are some of the specific employee compliance thresholds for employers in New York state that I should be concerned about?

**Answer:** For employers in New York state, employing one employee subjects an employer to the state's Clean Indoor Air Act (no smoking in the workplace), the Unemployment Insurance Law and the state's Child Labor Law. Employing four employees subjects an employer to the state's Human Rights Law while the employment of 10 or more employees subjects that employer to the jury duty payment requirement under the New York Judicial Law.

*The Business Council of NYS, Inc. Vol. 16 No. 11 December/05*

**For Sale or Lease, Two Buildings,** Syracuse area--One is office and warehouse (14,895 sq ft) served by one dock door and one drive-in. Excellent showing shape, lots of power, heat and AC, clean as a whistle. The second building next door (28,350 sqft) is warehouse with 11,500 sq ft of cold storage--of that the ceiling height is high bay sloping up to about 25 or so feet. 6 dock doors. Both buildings are connected by a walkway. Contact John F. Frantz, Associate Broker The Sutton Companies, 525 Plum Street, Ste 100 Syracuse, NY 13204. [jffrantz@suttoncos.com](mailto:jffrantz@suttoncos.com)

## Public Service Commission OKs \$175 Million Systems Benefit Charge on Energy

The state Public Service Commission (PSC) has approved five more years of a program that will add \$175 million a year to the energy bills of business and residential ratepayers. The decision means a \$25 million-a-year increase in the so-called "systems benefit charge" (SBC).

"We are extremely disappointed that the state's Public Service Commission chose to extend this program and increase its funding," said Business Council President Daniel B. Walsh. "New York's high energy costs are a significant burden to our state's economic growth and policies such as the SBC increase the cost of energy to employers."

The program has cost energy customers more than \$800 million. It claims to have reduced its users' bills by \$212 million.

In remarks submitted to the PSC in March, the Council strongly opposed any increase in the program's funding. "In 1998, the system benefit charge was implemented to provide funding for energy efficiency programs—and to spur the development of renewable energy sources," Anne Van Buren, the Council's director of energy and telecommunications, wrote in a March 4 letter to the PSC. "Since then, however, the Commission has adopted an entirely different approach to the development of renewable energy—the renewable portfolio standard (RPS), a mandatory purchase quota requiring that renewables comprise 25 percent of electricity sources by 2013," the letter continued.

The PSC imposed the current systems benefit charge over strong objections from The Business Council in January of 2001. The Council had argued that the \$78 million tax should be restructured and reduced or eliminated for business ratepayers. Instead, the PSC increased it to \$150 million. New York is already the nation's second most energy-efficient state as measured by energy consumption per capita, and there are other taxpayer-funded government programs available to finance energy-efficiency programs. The New York Power Authority (NYPA) commits \$100 million a year to such programs, and the Long Island Power Authority (LIPA) is conducting a 10-year, \$355 million Clean Energy Initiative, which includes numerous energy efficiency, renewable and low-income programs.

The state's master energy plan calls on state leaders to adopt policies that reduce energy costs. The current SBC adds \$150 million in charges to electricity bills in New York. It funds research and development, low-income residential customers, and technology programs. These programs are administered by NYSERDA.

## Survey Shows Many New Yorkers Considered Moving Out of State Last Year

More than 40 percent of New Yorkers surveyed in a new poll say they have considered moving out of the state, according to the results of a new poll released by the Manhattan Institute's Empire Center.

Forty-one percent of those surveyed said they had considered moving out of the state in the past year. Another 8 percent said they had a relative who thought of moving out of state.

"On a regional basis, the number of voters who had personally considered moving ranged from a low of 39 percent in New York City to 44 percent in western upstate New York," the Empire Center's analysis of the data said.

The survey also found that voters are pessimistic about the future of the state. Seventy-one percent of those surveyed said

they expect New York to be the same state it is now, or worse in the next five years.

"Pessimism about the state's future was strongest among upstate respondents, especially in the western region," the Empire Center said. "Thirty-five percent of the western New York residents surveyed said that they expected the state to be a 'worse' place in five years, well over double the 14 percent who expected it to be better."

"New Yorkers are restless, unhappy and ready for change," said E.J. McMahon, director of the Empire Center. "The survey shows that voters across the state want more accountable and transparent government, and that they are willing to support candidates who will fight to rein in spending and taxes."

The poll, conducted by Siena College Research Institute, surveyed 620 registered voters from across the state. Voters were asked for their opinion on the performance of state government of a series of governmental reforms that have been proposed over the past year.

The results show that 58 percent of those surveyed are dissatisfied with state government and another 58 percent "believe special interest groups have too much influence over state government." Upstate, residents expressed dissatisfaction with state government by a three-to-one margin.

The study also found that:

- Over half, 54 percent, believed they paid too much in state taxes for the "quality and quantity of the services they receive."
- Seventy-six percent of respondents said they do not believe the state is doing enough to reduce Medicaid fraud or waste.
- Sixty-six percent of respondents said they would support spending caps on state and local governments, while 64 percent said the best way to reduce future debt is for elected officials to cut spending now.
- Sixty-four percent support the idea of legislative redistricting by a non-partisan commission, rather than the Legislature itself.
- Over 80 percent of respondents believe that spending education funds more effectively will improve education.
- Nearly half of those surveyed, 49 percent, support the use of tax dollars to allow parents to send children to the school of their choice.

"From one end of the state to the other, most voters of every party affiliation (or no affiliation) would be open to a public-policy agenda that encourages more direct democracy, more competitive elections, limits on politicians' tenure in office, and fiscally conservative approaches to reining in governmental excesses," the Empire Center said.

The results of the survey are available at [www.empirecenter.org/newsreleases/2006/01/poll\\_new\\_yorker.php](http://www.empirecenter.org/newsreleases/2006/01/poll_new_yorker.php).

## It's the LAW!

### DID YOU KNOW?

New York State Agriculture and Markets Milk Control Law requires for identification of Trucks that no licensed milk dealer shall operate a truck or other vehicle from which mil is delivered at retail or at wholesale in the State of NY, unless the name of such milk dealer appears conspicuously on the outside of such truck or vehicle in a place where it can be easily read! Part 30, par. 30.1.

## MilkSplash — December 2005 US Milk Sales Update

USDA reports that total milk sales for the first nine months of 2005 were up 0.3% when compared to sales for the same time period in 2004. The increase is being driven by higher sales of lowfat (2.9%) and fat-free (3.0%) milk. However, whole milk has had a significant decline in sales (3.6%) for January-September 2005 when compared to the first nine months of 2004. Because lowfat and fat-free milk sales by volume equal about two-thirds of the volume of whole milk, sales are relatively even for the year.

PRODUCT	SEPT.SAL ES V. YAGO (millions of lbs.)	SEPT. SALES V. YAGO (percent ages)	YEAR-TO- DATE (millions of lbs.)	YEAR- TO- DATE (percent ages)
Whole Milk	1,427	-1.3	12,791	-3.6
2% Reduced-Fat Milk	1,530	4.9	13,206	1.1
1% Lowfat Milk	554	4.9	4,752	2.9
Fat-Free Milk	683	4.8	5,994	3.0
Flavored Whole Milk	63	-4.4	557	-13.3
Flavored Fat-Reduced Milk*	365	2.6	2,659	4.3
Buttermilk	43	-1.9	386	-3.2
Total Fluid Milk** Products	4,622	1.0	40,466	0.3

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

REGION	SEPT. SALES V. YAGO (millions of lbs.)	SEPT. SALES V. YAGO (percent ages)	YEAR- TO- DATE (millions of lbs.)	YEAR-TO-DATE (percentages)
Northeast	804	1.4	7,026	-0.8
Appalachia	298	2.1	2,580	-0.6
Southeast	418	2.3	3,603	1.7
Florida	250	5.2	2,237	2.6
Mideast	531	1.3	4,628	-0.5
Upper Midwest	380	4.7	3,269	2.0
Central	405	3.5	3,427	-0.3
Southwest	378	5.5	3,172	1.4
Arizona-Las Vegas	108	3.9	937	2.3
Pacific Northwest	184	1.2	1,584	-0.8
California	548	0.4	4,770	-0.0

## NY State December Milk Production Up Whopping 4% Percent!

New York dairy herds produced 1 billion pounds of milk during December according to the USDA's New York Agricultural Statistics Service. A 4 percent increase in milk production per cow resulted in the increased total milk production compared to last year. The number of milk cows averaged 649,000 head, down 1,000 head from December of the previous year. Milk per cow averaged 1,545 pounds, up 60 pounds from the December 2004 rate.

Dairy farmers in the Empire State received an average of \$15.00 per hundredweight of milk sold during December, down \$1.00 from November and \$1.90 less than December a year ago.

Milk production in the 23 major States during October totaled 13.6 billion pounds, up 4.2 percent from December 2004. November revised production, at 13.0 billion pounds, was up 4.6 percent from November 2004. The November revision represented a decrease of 1 million pounds from last month's preliminary production estimate.

Production per cow in the 23 major States averaged 1,665 pounds for December, 55 pounds above December 2004. The number of milk cows on farms in the 23 major States was 8.16 million head, 67,000 head more than December 2004, and 4,000 head more than November 2005.

## New York State Retail Milk Threshold Price Effective February 1, 2006

	<u>Gallon</u>	<u>Half Gallon</u>	<u>Quart</u>
Metro Region: (NYC & Counties Of Nassau, Suffolk, Rockland, Orange, Westchester, Putnam & Dutchess)	\$3.13	\$1.62	\$.84
Upstate Region: (Remaining Counties)	\$2.92	\$1.51	\$.79

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.

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. 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.

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