European Union Health Certification Program

- Effective January 1, 2012, the U.S. dairy industry must begin the transition to the farm level milk sampling program to verify somatic cell count (SCC) and standard plate count (SPC) compliance with EU regulations No. 853/2004 Annex III, Section IX, Chapter 1.III.

- AMS, Dairy Grading Branch will continue to accept Certificates of Conformance based on milk sampled at the plant and processed prior to April 1, 2012.

- After March 31, 2012, all shipments of dairy products requiring an EU health certificate must comply with the updated certification program and must be accompanied by an updated Certificate of Conformance.

- The program only applies to companies that are manufacturing products for export to the EU and the producers whose milk they are receiving. Dairy farmers, milk processors and other manufacturers that do not export or facilitate in marketing of products to the EU are not impacted by this change.

- The program instructions provide for a level of flexibility (derogation) for farms that exceed EU SCC or SPC requirements, but work toward compliance to ensure that US dairy farmers are not negatively harmed.

- All farms will be given three months to establish an initial rolling three-month means for SCC. Non-Grade A farms will be given two months to establish an initial rolling two-month means for SPC.

- Only milk suppliers, dairy processors, and applicants for EU Health Certificates are responsible for maintaining records to trace their products back one step in the supply chain (toward the raw milk production) for all dairy products/ingredients intended for export to the EU.

If questions arise regarding this modified program, please contact Ken Vorgert at 630-437-5037; email Ken.Vorgert@ams.usda.gov or Carrie Sayasithsena at 202-720-3171; email Carie.Sayasithsena@ams.usda.gov.

For more information about AMS, Dairy Programs, Export Certification Issues, please contact Diane Lewis, Director
What Do the New Standards Mean to You?

If you are providing dairy products to a processor who exports products to the European Union (EU), the milk leaving the farm must meet the EU’s somatic cell count standard of 400,000 cells/mL, rather than the US somatic cell count standard of 750,000 cells/mL. In the past, it was acceptable for processors to comingle milk in order to make loads that would remain an acceptable somatic cell count. The new requirements state that somatic cell count (SCC) and standard plate count (SPC) requirements be met at a farm level. Although SCC standard would be much lower at 400,000 cell/mL rather than 750,000 cells/mL in raw cow milk, the US standard SPC meets EU requirements and no changes would need to be made. Producers will be given three months to establish an initial rolling mean for somatic cell count.

Mastitis: What is it Costing You?

Mastitis is the single most pervasive and costly disease faced by dairy producers today. Estimates of the total loss caused by this disease in the United States alone are approximately two billion dollars each year. Mastitis is found on even the most conscientious dairy farms. It costs the dairy farmer money every day in many ways—decreased milk yield, lost premiums, price penalties, increased culling rates, and the cost of medicines for treatment. Detected early, these losses can be substantially reduced. And with the growing pressure to lower bulk tank counts, the need for affordable, convenient, early detection is even more critical.

Prevalence

- Most mastitis starts in the sub-clinical form.
- If untreated, it is estimated that 40% of these cases will evolve into the more severe but more easily detected clinical mastitis.
- Bulk tank somatic cell counts (BTSCC) can be an excellent indication of the prevalence of sub-clinical mastitis. As a rule of thumb, 10% of a typical herd is infected for every 100,000 cells/mL in the BTSCC.
- The typical herd is reported to have a BTSCC between 300,000 and 400,000, indicating a significant level of disease in US herds.

Milk Quality and Price Premiums/Penalties

- The regulatory limit for Grade A milk is:
  * 750,000 cells/mL in the US.
  * 400,000 cells/mL in European Union.
- Milk processors offer producers layers of premiums and penalties depending on the bulk tank somatic cell count of the milk.
- A very large recent study by the USDA on DHI herds found that 30.4% of the bulk tanks tested were above 400,000 and 11.2% were above 600,000. Aggressively battling mastitis can help producers maximize their profits.

Production Loss

- Sub-clinical mastitis can reduce milk yields so gradually that losses may not be easily noticed.
- One rule of thumb suggests that for every doubling of the BTSCC starting at 100,000 cells/mL you lose 2%–3% of potential production.
- Based on this formula, a dairy with a BTSCC count of 300,000 might be yielding 7% less than it could.

Dollar Cost of Mastitis

- It is estimated that the loss in the United States alone is approximately two billion dollars per year. That means that 7%–8% of the value of milk production is lost to this single disease!
- On a per cow basis, that translates to a cost of $100 to $300/cow/year—money that you can put back in your pocket with a more aggressive battle against mastitis.
Is Your 2011 Risk Management Plan Adequate for 2012?

As you make plans for 2012, you need to seriously evaluate the adequacy of your 2011 risk management plan for each segment of your farm business. While a whole farm business focus is critical, in the interest of being brief, let’s focus on the crops segment of your farm business.

Time was when the government programs almost automatically provided a pretty good safety-net and about all producers had to do was to enroll, and perhaps, idle a few acres. But times have changed. Today, the major safety-net is determined by individual proactive producer decisions. For example, if all crops are not insured or covered by NAP, producers are ineligible for SURE Payments. Furthermore, if an adequate amount of crop insurance protection is not selected, the programs will not perform up to expectations or necessary payment levels when disasters occur. Therefore, risk management planning is as important as production and marketing planning.

2012 expectations are that risk exposures will increase in the form of high crop values, increased price volatility, higher input costs, tighter credit requirements, the need to recover from 2011 losses, higher family living costs, and aging farm operators.

Next, one might want to compare equity to expenses and income potential. Does it make sense to manage risk by self-insuring? Just how much protection is needed for 2012?

How much protection did you have in 2011?

Add up the value of:

- Crop Insurance: $________
- FSA Programs:
  - NAP: $________
  - SURE: $________
  (not funded for 2012),
  - Other: $________
- Marketing Contracts: $________
- Other Risk Mgt. Tools: $________
- TOTAL: $________

What is your strategy for 2012: Protect crop values, all or part of input costs, put a floor under marketing contracts, recovery of 2011 losses, secure operating loan and/or secure family living expenses? So, is your current risk management plan adequate for 2012 to fulfill your strategy?

Crop insurance agents now have 2012 rates and rules and are prepared to help you to complete a free Risk Management Checklist and to discuss coverage and cost control options that can strengthen your farm business plan and minimize the risk of an income interruption. Managing risks may result in improved peace of mind for you and your family in the year ahead. The checklist is also available at:


Coming This Winter: FINPACK Workshops

FINPACK is a program that helps producers create a farm business analysis, cash flow planning as well as long range financial planning. By completing a FINPACK workshop, producers will understand their financial situation, be able to explore alternative plans for the upcoming year and consider/adopt new strategies in an effort to operate profitably. It is critical to know the cost of production per crop in order to determine the actual risk faced per acre. By knowing exactly what per acre costs are, it is much easier to determine what crop insurance coverage would best fit.

Producers who have participated in the program have found it to be very beneficial, allowing them to make confident decisions regarding farm purchases, including crop insurance.

If you are interested in participating in a FINPACK workshop this winter or would like to learn more about it, please contact the New Jersey Crop Insurance Education Initiative Team at (856) 769-0090.
NJ’s Animal Waste Management Rule: Are you in Compliance?

The New Jersey Department of Agriculture adopted regulations in March 2009 that require all livestock farm owners to responsibly manage the manure generated on their operations - including those with horses, dairy cows, cattle, swine, goats, sheep, poultry and all other domesticated species defined as livestock. All New Jersey farmers with livestock are required to be in compliance with the regulations by March 16, 2012.

The Animal Waste Management regulations require all farms with any livestock to comply with the five general requirements of the rule. In addition to the general requirements, all livestock operations with 8 to 299 “Animal Units” (one Animal Unit = 1,000 pounds) are required to implement an Animal Waste Management Plan by March 16, 2012. Exact requirements will vary with the size and animal density of the operation.

The NJDA will investigate alleged violations of the rules and take appropriate action, which may include fines of up to $1,000 per day for each violation as determined. The Department may allow the owner or operator up to 60 days to address or correct the non-compliance before imposing penalties.

According to New Jersey Statute (N.J.S.A. 4:1C) farmers must comply with all relevant federal and state statutes and regulations in order to maintain “Right to Farm Protection.” New Jersey’s Right to Farm Act Protects responsible commercial farmers from public and private nuisance actions and unduly restrictive municipal regulations. Failure to comply with the Animal Waste Management Rule may result in the loss of these protections.

Please contact the following Extension offices or visit http://njaes.rutgers.edu/animal-waste-management/default.asp for additional information.

Hunterdon County Extension Office: (908) 788-1338
Sussex County Extension Office: (973) 948-3040
Salem County Extension Office: (856) 769-0090
Burlington County Extension Office: (609) 265-5050