

RESOLUTION # 24

DAIRY INDUSTRY

1 **WHEREAS**, New Jersey’s dairy industry is an important part of the state’s
2 agriculture, not only contributing wholesome, locally produced milk and milk products,
3 but also creating demand for field crops used as feed and for farm equipment and other
4 industry support sales; and

5 **WHEREAS**, recent years have seen severe and protracted depressed market
6 prices for milk, combined with periodic spikes in input costs, which have resulted in
7 severe economic hardship for New Jersey dairy farmers; and

8 **WHEREAS**, prices received for milk by dairy farmers trended upward throughout
9 2014, but the history of dairy pricing suggests a downward cycle should shortly follow,
10 bringing new economic hardship to the dairy industry in the state; and

11 **WHEREAS**, the Department has frequently visited the issue of New Jersey dairy
12 prices, and has found implementing solutions to the problems difficult for the following
13 reasons:

- 14 • New Jersey is a “milk-deficit” state, whose dairy farmers produce less than 10
15 percent of the milk processed at its major Class 1 processing plants;
- 16 • Surrounding states and even states as far away as the Southwestern United
17 States sell milk into New Jersey, either as raw milk being sold into processing
18 plants or as packaged fluid milk and milk products;
- 19 • The existing Federal Milk Marketing Order, a relic of the Depression era, dictates
20 prices to be paid to farmers in various “zones” of the country, resulting in the
21 ability of New Jersey’s Class 1 processors to reach into nearby areas outside
22 New Jersey’s higher-priced “zones” to procure milk if they deem the cost of New
23 Jersey farmers’ raw milk too high;

- 24 • Attempts in the past to create more-favorable treatment of New Jersey dairy
25 farmers than for those in nearby areas outside our higher-priced zones have met
26 with resistance, including legal action, by organizations representing milk dealers
27 in other states; and

28 **WHEREAS**, the New Jersey Congressional Delegation, along with
29 Congressional Delegations throughout the Northeast, can be a major force for change to
30 the federal milk marketing order if they work together as a bloc of major milk-producing
31 and milk-consuming states; and

32 **WHEREAS**, emerging opportunities to process New Jersey-produced milk within
33 the state can provide the state’s dairy farmers with a chance to earn significant
34 premiums over the Federal Milk Marketing Order prices; and

35 **WHEREAS**, as with all agricultural products, the return to the farmer for milk and
36 milk products is greater the further into the marketing chain the farmer controls the
37 packaging and sale of the milk that his farm produces; and

38 **WHEREAS**, a critical component of New Jersey’s efforts to ensure that food is
39 available to the state’s residents during a Foot-and-Mouth disease outbreak is the New
40 Jersey Department of Agriculture’s involvement in a multi-state “Secure Milk Supply
41 Plan,” which is a multi-state partnership aimed at protecting and making available safe
42 milk products in the event of Foot-and-Mouth disease outbreak, especially a disease
43 outbreak among milk-producing cattle.

44 **NOW, THEREFORE, BE IT RESOLVED**, that we, the delegates to the 100th
45 State Agricultural Convention, assembled in Atlantic City, New Jersey, on February 4-5,
46 2015, do hereby strongly urge the New Jersey Department of Agriculture to do the
47 following:

- 48 • Work with the New Jersey Congressional Delegation and interested federal
49 lawmakers from other states participating in the Federal Milk Marketing Order

- 50 system in order to create a program that better fits the modern milk market for
51 New Jersey dairy producers.
- 52 • Enthusiastically support projects that can offer New Jersey dairy farmers
53 significant premiums for their milk, helping to reverse the cycles of low prices
54 affecting dairy farm viability in this state.
 - 55 • Work with the “Center for Farm Profitability” and other similar efforts to establish
56 a system of on-farm pricing.
 - 57 • Work with the dairy industry to seek funding for an on-farm or small, stand-alone
58 milk/milk products processing plant focused on reaching the high-end market in
59 New Jersey and surrounding states.
 - 60 • Work with the dairy industry to seek funding for efforts aimed at milk-quality
61 improvement.
 - 62 • Work through the Department’s Division of Marketing and Development to
63 provide support for establishing a viable “*Jersey Fresh*” dairy products brand.
 - 64 • Investigate the feasibility of establishing projects in which one or more dairy
65 farmers can work toward marketing value-added products that can be
66 processed, packaged and sold by the farmer, as opposed to the farmer selling
67 milk to another entity, thereby giving the farmer value further into the market
68 chain.
 - 69 • Investigate the feasibility of establishing anaerobic digestion units, which will
70 utilize high-moisture dairy farm, dairy industry, agricultural and human food
71 waste streams for the production of bio-gas for a locally produced energy source
72 and digestates which could be used as managed soil nutrients for agricultural
73 production to create an additional revenue stream and good dairy management
74 practices.

75 **BE IT FURTHER RESOLVED**, that we strongly urge continued sufficient funding
76 be provided to the Division of Animal Health to enable it to continue valuable services to
77 the dairy industry, as well as all others involved in animal agriculture.

78 **BE IT FURTHER RESOLVED**, that we support the involvement of the New
79 Jersey Department of Agriculture and any other appropriate agencies or groups in the
80 on-going preparedness efforts of the Mid-Atlantic Secure Milk Supply Plan.

81 **BE IT FURTHER RESOLVED**, that we urge the Department to work with all
82 appropriate agencies and all appropriate segments of the state's dairy sector to identify
83 and pursue milk-processing opportunities that could help restore processing capacity
84 and jobs lost by the closing of the Farmland Dairies plant.

85 **BE IT FURTHER RESOLVED**, that we direct the Department to work with other
86 appropriate agencies and groups to explore the possibilities of farm-point pricing, which
87 is the point of ownership transfer for quality Grade A farm milk at the time the milk truck
88 leaves the farm premises.

89 **BE IT FURTHER RESOLVED**, that we support the efforts to ensure that a free,
90 competitive and open market exists for all milk producers within the Federal Milk
91 Marketing Order.