



Chris Mondak



Larry Tranel



Dale Thoreson

Dear Dairy Producers:

To say we live in interesting times is an understatement as it is not just the economy that is changing. Our dairy industry is connected to the global economy, and consequently continues to evolve in response to economic and societal trends & factors on the national and global scene.

Paying attention to herd nutrition, cow comfort, reproduction, and herd health is the traditional focus of dairy producers, and these things remain important. However, there are additional concerns facing all of us in the dairy industry. It is no longer enough to produce quality milk, a wholesome food product. It is no longer enough to be a good steward of your land, your herd, and the people you work with. It is essential that we **communicate** to the public the good things that are done to maintain healthy, productive herds, and to provide safe, wholesome dairy products. The dairy industry's Sustainability Initiative is a pro-active response to consumers' increasing interest in the details of our food supply system (see article on "U.S. Dairy Sustainability Initiative").

Feed prices continue to plague dairy profits this newsletter includes an updated FEEDVAL analysis. Labor and immigration issues continue to challenge dairies and many other employers. To see how some Iowa dairy producers are demonstrating leadership on these issues, consult "Dairy Producers Show Leadership on Immigrant Workforce Issues" article.

Chris Mondak

ISU Extension Dairy Field Specialist, NW Iowa

Larry Tranel and Dale Thoreson

ISU Extension Dairy Field Specialists, NE Iowa

Edited by: Larry Tranel

Dairy Research Briefs: by Leo Timms

"Effects of a Shortened Dry Period on Mammary Health During the Next Lactation". Journal of Dairy Science (JDS) Nov. 2008. Washington State University conducted a study to evaluate the effects of short dry period length on mammary health and mastitis in the next lactation. 4 herds were used for the trial (2 using 30 vs 60 days dry, 2 using 30 vs 45 days dry). Cows in the 45 and 60 day dry groups received dry cow antibiotic therapy while the 30 day group was administered lactating cow antibiotics. Cure rates for mastitis did not differ (72 vs 81 % for 60 vs 30 d; 74 vs 73% for 45 vs 30 d). New infection rates at calving were similar across groups (6-9%) and somatic cell counts at calving and through 7 months of lactation were similar. There were no differences in detectable antibiotic residues in milk post calving between groups. Cow in the 30 vs 45 day herds showed similar milk production (11,100 kg or ~24,500 lbs) while cows with 60 days dry (vs 30 days) had significantly higher milk production. Some previous studies have shown this while others have shown no milk differences between these dry period lengths. A possible explanation is the large variation in dry period length of the 30 day group (avg. = 34 d dry; sd =13.4; range = 14-93d). This study demonstrates that mammary gland health, as measured by cured rate, new infection, and SCC was similar in short (30d) vs longer(45 and 60 d) dry periods, and the importance of therapy at dry off to udder health for all dry periods.

"Passive Immunity and Calf Management Practices" JDS October 2008. Ontario Veterinary College and University of Guelph conducted 2 studies to evaluate passive immunity and calf management practices. Study 1 involved 961 calves (0-8 d old) on 11 SW Ontario farms while study 2 involved 422 calves on 119 farms. Refractometry was used on calf serum samples to estimate total protein content as a measure of passive transfer (<5.2g/dl =FPT). 8.4% and 37.1% of calves showed FPT in studies 1 and 2. Major factors associated with increased FPT included lower colostrum amt. in first 6-24 hrs and allowing calves to nurse and not remove calf from dam. There were no difference between colostrum form (fresh, frozen) or way fed (bottle bucket, tube). Attention to assuring adequate quality and quantity of colostrum in a timely manner (first 6 hrs and up to 24 hours) is essential for optimal calf health and performance.

ISU Extension Dairy Team
"Bringing Profits to Life"

Dairy Field Specialists

- Dale Thoreson, 319-267-2707
- Larry Tranel, 563-583-6496
- Chris Mondak, DVM, 715-737-4230

State Dairy Specialists:

- Dr. Lee Kilmer
- Dr. Leo Timms

The U.S. Department of Agriculture (USDA) prohibits discrimination in all its programs and activities on the basis of race, color, national origin, gender, religion, age, disability, political beliefs, sexual orientation, and marital or family status. (Not all prohibited bases apply to all programs.) Many materials can be made available in alternative formats for ADA clients. To file a complaint of discrimination, write USDA, Office of Civil Rights, Room 326-W, Whitten Building, 14th and Independence Avenue, SW, Washington, DC 20250-9410 or call 202-720-5964.

Inside This Issue:

- **The U.S. Dairy Industry's Sustainability Initiative**
- **2008 Iowa Corn Silage Yield Trial**
- **Dairy Days Schedule and Dairy Calendar**
- **Dairy Producers Show Leadership on Immigrant Workforce Issues in 2008**
- **2008 Farm Bill: Dairy Provisions**
- **FEEDVAL – Feed Comparative Values**

The U.S. Dairy Industry's Sustainability Initiative

Chris Mondak, ISU Extension Dairy Field Specialist

In recent months, many dairy publications have featured articles using terminology not typically used in dairy conversations. Words and phrases like “carbon footprint”, carbon credit trading system”, “greenhouse gas emissions”, “alternative energy sources”, “consumer buying decisions”, “global market”. What is going on? Are these terms part of a fad, or do they indicate a fundamental shift in perspective? This article provides background on some important developments going on within the US dairy industry, and summarizes practical implications for US dairy producers.

This summer, 250 dairy industry leaders from around the country gathered in Rogers, Arkansas for the industry's first- ever “Sustainability Summit: Creating Value Through Dairy Innovation”. The briefing paper for this meeting explains dairy leaders' focus on sustainability: **“Global climate change...has captured the unprecedented attention of government, industry, and the public at large-illuminating a host of new challenges. The dairy industry has not been exempt from the need to change.... Confronting and anticipating these challenges presents both opportunities to improve environmental performance and drive business value- ensuring a sustainable future for people and the planet.”**¹

The ‘take home messages’ from the Sustainability Summit are already guiding dairy leaders' decisions and action planning. In the words of Thomas Gallagher, CEO of Dairy Management Inc, the organization that manages the national dairy check-off program: **“Sustainability is a challenge that requires industry-wide solutions, and our efforts establish a new standard for industry collaboration.....Decision makers from across the dairy value chain are working together to commit concrete, innovative solutions. This will ensure an economically, environmentally and socially sustainable industry.”**²

¹The Sustainability Summit: Creating Value through Dairy Innovation – Briefing Paper, June 17-16, 2009, Rogers, Arkansas

2 National Milk Producers Federation – Press Release, June 25, 2009

What does this mean to dairy producers and the professionals who serve them? Does this point to a radical make-over of dairy herd and farm management? Not necessarily. In the words of dairy leader Jerry Kozak, CEO of National Milk Producers Federation, **“Sustainability practices have long been part of common practices on dairy farms, from recycling water and manure to crop technologies that improve soil and prevent erosion. In an era of record high energy prices and a changing global climate, we must do more. It makes economic sense to find ways to conserve energy and reduce production costs, while recognizing that a growing number of consumers care deeply about the health and environmental impact of the products they buy.”**³

What are the practical implications for US dairy farmers? Lynn Boadwine, dairy owner/manager and dairy nutrition consultant in South Dakota, has a positive, pragmatic viewpoint: **Many of the best management practices currently used in modern dairy herd management to achieve a profitable dairy farm operation are already in line with sustainability principles. Included in the list are management practices that improve feed efficiency, animal health and cow comfort and welfare, manure nutrient management, water conservation and recycling, energy conservation, pasture systems and soil conservation.**

Further development and implementation is needed. The immediate challenge to dairy producers and professionals is to stay updated about the about technologies and practices that are economically, environmentally, and socially sustainable. Not every farm will do the same things. Choosing the options that are a ‘good fit’ for each farm will be a way to work towards ensuring the future of a viable, sustainable dairy industry.

Interested in learning more? Consider attending the I-29 Dairy Conference in Sioux Falls at the Best Western Ramkota Inn on Jan. 29, 2009. The topic is “Going GREEN in a Black and White World: Understanding Sustainability and the Opportunities for Dairy Farmers and Industry”. Cost is \$20/person.

Call 712-737-4230 to pre-register. Deadline to reserve lodging rooms at a special rate is Jan 8—call 605-336-0650 x 2086.

³ National Milk Producers Federation – Press Release, June 25, 2009

2008 Iowa Corn Silage Yield Trial

Dale Thoreson, ISU Extension Dairy/Beef and Forages Specialist
Brian Lang, ISU Extension Crop Specialist

Corn silage is harvested from about 1.8% of Iowa corn acres. Most corn silage is harvested in the northeast and northwest portions of the state where the majority of dairy herds are located. In these regions, corn silage is a major portion of the row-crop acres. Because no independent yield trials are being conducted on corn hybrids for silage in Iowa, a coalition consisting of Iowa State University Extension Field Specialists, NE Iowa Community College instructors, NE Iowa Dairy Foundation, and several seed corn representatives initiated a corn silage hybrid yield trial at the Northeast Iowa Dairy Foundation farm in 2008.

The trial was established on a Fayette silt loam soil, 5 to 9% slope and moderately eroded (163C2). A randomized complete block design was used with three replications of each hybrid. The previous crop in 2007 was corn harvested for grain. The trial was planted on May 14, 2008 and harvested on September 12, 2008. The trial was treated with 2 quarts Harness Extra plus 3 ounces of Hornet per acre applied early post emergence. Aztec at 7.3 lb/acre was applied for corn rootworm control. The trial received 10,000 gallons of dairy manure in the fall of 2007 from the manure storage pit at the Foundation's farm. Manure analysis was 16-5-14 pounds of N-P₂O₅-K₂O per 1000 gallons. An additional 80 pounds per acre nitrogen was side-dressed in the spring of 2008 following the heavy rains in June.

Twelve hybrids (one a substitute mix to fill out the plot) were planted in 4-row plots 30 feet long. Each was replicated three times. Plant populations were recorded on June 2 at the V-2 stage.

The harvest area consisted of 10 foot of row from the middle two rows of each plot. A 10 foot 4-by-4 was laid beside each row to obtain a uniform cutting height of 4 inches. Harvested plants were weighed on a platform scale. Six stalks from each plot were randomly selected to be chopped in a wood chipper. Two samples were taken from the chopped silage after aggressively stirring the contents. Each sample was placed in a one gallon plastic bag, labeled and stored under ice for transport. One set of samples was transported that day to Dairyland Laboratories, Inc, Arcadia, Wisconsin. The other set of samples

was transported to the Dairy Foundation freezer for back-up purposes.

Dairyland Laboratories, Inc. conducted dry matter and NIR analysis of each sample. Tests included crude protein, acid detergent fiber, neutral detergent fiber, neutral detergent fiber digestibility at 24 hours and at 30 hours, In-vitro dry matter digestibility at 30 hours, starch, fat and lignin. The laboratory also calculated milk per ton using "Milk2006" an adaptation of milk 2000 reported by R. Shaver, University of Wisconsin. Milk2006 approximates animal performance based on a standard cow weight and milk production level (1350 lb. body weight and 90 lb/day at 3.8% fat). The values used to calculate Milk2006 were based on laboratory values for hybrid moisture, crude protein, NDF, NDF digestibility. (48 hours), starch, ash, NDFICP and ether extract (fat). Field calculations were used for dry matter yield. No kernel processing was assumed.

Further Analysis of the Data

Increasingly, dairy nutritionists feel there are more factors than those used in Milk2006 that are involved in ranking hybrids for farm profits across farms and over time. To determine a more accurate hybrid ranking, Mike Allen (Michigan State University), developed a partial budget program called Corn Picker for Silage that considers all economically important traits that vary by hybrid for corn silage production. The output is an estimate of the profitability of one hybrid compared to another. Hybrid inputs include dry matter yield, concentrations of NDF, CP, In-vitro NDFD and seed cost.

Corn Picker considers the corn silage required for the entire herd and considers the intake based on the NDF digestibility of the hybrid and forage NDF concentration of the diet. It considers all costs of producing corn silage including fixed costs of storage and machinery. It adjusts for differences in supplementation with either corn or SBOM and difference in IVNDFD affect on milk yield. Difference in supplements needed and milk yield costs are adjusted for as well as the amount of land (cost/ac) need to produce the needed corn silage. Partial budgets, such as Corn Picker, account for economically important information related to corn hybrid selection that varies by farm and over time.

You can download the Corn Picker Excel spreadsheet at: www.msu.edu/~mdr/cornpicker.html.

NW Iowa Dairy Calendar

January

- Jan 16 Western Iowa Dairy Alliance Annual Meeting & Dinner- 6:45pm , NWICC –Sheldon Dining Center. Guest speaker: Senator David Johnson, - 712-441-0893
- Jan 23-24 Women in Denim Conference – Buena Vista University; 800-242-5022
- Jan On Farm Safety workshops with bilingual educator, by appointment, 712-737-4230
- Jan 29 4th Annual I-29 Corridor Dairy Conference: *“Going ‘GREEN’ in a Black-n-White World: Understanding Sustainability & Opportunities for Dairy Industry”* – Ramkota Inn, Sioux Falls. Sponsored by University Extension services in 4- state I-29 Corridor region, 712-737-4230

February

- Feb Dairy Focus Group Meetngs – Multiple dates & locations to be announced (Osceola, Cherokee, Lyon, Sac, and Pocahontas Co.)
- Feb Dairywomen Peer Group Meeting: Time & place to be announced
- Feb On Farm Safety Workshops with bilingual educator, by appointment, 712-737-4230

March

- Mar 31- Apr 2 Central Plains Dairy Expo Sheraton Convention Center – Sioux Falls -218-236-8420

Point of contact for more details about these events: Chris Mondak, ISU Extension Dairy Field Specialist, cmondak@iastate.edu, 712-737-4230

NE Iowa Dairy Parlor and Facility Tours

Check your local media for a schedule of tours set for week of March 9-13, 2009 in NE Iowa.

NE Iowa Dairy Days

January 20, Dairy Days Legion Hall, Ryan
January 21 Dairy Days, Dubuque County Fairgrounds, 14569 Old Hwy Rd, Dubuque
February 10, Dairy Days, KC Hall, Elma
February 11, Dairy Days, NE IA Dairy Foundation, Calmar
February 12, Dairy Days, Civic Center, Waverly

Dairy Days Agenda:

- 1) “Using Genomics-What will change in building your Genetic Base?” Genomics will be part of the January Sire Summaries. How will that affect your sire selection decisions and the sires available to you?
- 2) “Positioning Your Feeding Program when Feed Prices or Milk Prices are Volatile”. When to use starch substitutes, or corn stalks to lower dairy farm feed costs.
- 3) “Shrink- The Hidden feed Cost” Where are we losing feed, how much do we lose and what is it costing the Dairy?”
- 4) “Your Labor Management Force—Best Management Practices”. How to get more from your labor team.
- 5) “Health Issues in Today’s Dairy Herds” Producer Panel (Calmar only). Optimum milk, low SCC and profits all in one package.

Dairy Days speakers include State Dairy Specialist Lee Kilmer, Dairy Field Specialists Larry Tranel and Dale Thoreson, Farm Management Field Specialist Robert Tigner and Local Veterinarians.

Cost is \$10 per person. Vouchers are available from some local vets or agribusiness.

Statewide Dairy Association Annual Meeting

January 5, Iowa State Dairy Association annual meeting 10:00am Waverly Civic Center

Dairy Producers Show Leadership on Immigrant Workforce Issues in 2008

Chris Mondak, ISU Extension Dairy Field Specialist

Sioux County dairy producers and Western Iowa Dairy Alliance (WIDA) were instrumental in bringing issues regarding the immigrant workforce to the forefront for public discussion in 2008, and continue to be active in the process of addressing this important economic, social and political issue.

Background: In February 2008, when WIDA and CASA (Center for Assistance, Service, and Advocacy) Board heard about alleged harassment of Hispanic dairy workers, the two groups initiated the process of bringing this forward for discussion with the Sioux County Board of Supervisors. Members from the 2 groups, along with other concerned citizens and employers from various businesses in the county, met to prepare their public statements. Kurt Wierda, dairy owner and president of WIDA, volunteered to be spokesman to deliver the message.

Events and Actions: When spokesman Kurt Wierda presented concerns to the County Board of Supervisors and large group of concerned citizens in late February 2008, the atmosphere in the packed room was tense. Rather than inciting divisive conflict, Mr. Wierda requested open communication and further dialogue on the issues presented. The Sioux County Board of Supervisors honored that request and worked with CASA and ISU Extension staff to plan a way for serious, informed, problem-solving discussions to occur. In May 2008 they initiated the Sioux County Immigration Focus Group for a representative group of community leaders .

The two-part Mission of the Sioux County Immigration Focus Group was to provide a venue for community and business leaders to learn, to share information, and to communicate candidly with each other in a safe environment. It was also to allow community and business leaders to discuss and decide together specific actions to take to citizens.

The participants included a County Supervisor; Clergy members; Educators; Social services; Health worker; County Attorney; County Sheriff and Dairy owner/managers. This group met 7 times for early morning breakfast. Each session featured a selected topic and guest speakers on Immigration Issues/Laws; Social Sector issues; Law Enforcement; and the Economic Impact of Hispanic workforce.

Outcomes: In fall wrap-up sessions the group was able to articulate a summary of main take home messages that included:

1) The residents of Sioux County value all people. 2) Many immigrants have solid rural family values, a strong work ethic, and respect for authority. 3) Immigrants are addressing workforce needs of the county. 4) The immigration population in NW Iowa continues to grow. 5) Immigrants in general have been good for our communities.

The group arrived at this Consensus Statement:

“Our current immigration system is dysfunctional. The system does not provide practical or realistic ways for immigrants to live and work here legally. This creates traumatic situations for families, businesses, schools, and the communities of Sioux County.”

To lead the way on promoting discussion throughout the county and region about immigration-related topics, the Sioux County Immigration Focus Group evolved from discussion mode into an action mode: They've initiated a 3-part Action Plan that will continue the discussion, education, and change processes:

1. Hold politicians accountable for practical solutions: Meet with local, state, and federal decision-makers to share concerns and to press for immigration policy reform.
2. Develop a media campaign that will provide the public with thoughtful consideration of issues regarding our immigrant population.
3. Provide learning opportunities for the public regarding immigration and its impact in our communities.

Follow-up to the Sioux County Board of Supervisors: In October 2008, the Focus Group presented their summary consensus report, lessons learned, and planned action steps to the Sioux County Board of Supervisors. Kurt Wierda, again the spokesman, delivered a complete summary of group's findings via powerpoint. The County Supervisors commended the group on their thorough work, and encouraged progress on the Action Steps.

To learn more, to view the group's summary powerpoint, or to contact the coordinators/participants of the Immigration Focus Group, contact Chris Mondak, ISU Extension at cmondak@iastate.edu or 712-737-4230.

2008 Farm Bill: Dairy Provisions

Robert Tigner, Farm Management Specialist, NE Iowa

The Food, Conservation and Energy Act of 2008 contains several provisions that are important to dairy producers and processors:

1. Milk Income Loss Contract program (MILC).
2. Revisions to the Dairy Price Support program.
3. Renews Dairy Forward Pricing program.
4. Extends Dairy Export Incentive program (DEIP).
5. Dairy Indemnity
6. Revises Federal Milk Market Order amendment procedures.
7. Strengthens mandatory dairy sales and inventory reporting established in previous dairy title.
8. Dairy Promotion and Research program.

Milk Income Loss Contract (MILC)

The reauthorized MILC is similar to the previous MILC and MILC-X programs. However, a formula was added to adjust the target price for feed costs. The objective of MILC is to make price deficiency payments to eligible dairy operators.

Maximum covered milk production per farm is set at 2,985,000 million pounds, an increase of 585,000 pounds from the previous limit. Based on average 2007 Iowa milk production per cow, this would be equivalent to a herd of 147 cows. An estimated 87% of U.S. dairy farms would have their entire milk production covered. The higher limit added full coverage for an additional 2,890 farms. Brian Gould, University of Wisconsin-Madison dairy economist, estimates that 44% of U.S. milk production could be covered by MILC now.

Another revision to MILC is an increase in the covered difference between the \$16.94 base price and the class 1 Boston price. The new coverage is 45% of the difference instead of 34% for MILC-X.

A new provision in MILC is the Feed Cost Adjuster to the base price. The base feed cost is set at \$7.35 per hundredweight. At the end of each month USDA will calculate that month's cost of feed. The ration is assumed to include 51% corn, 41% alfalfa hay and 8% soybeans. Prices used to calculate the "National Average Dairy Feed Cost" are those reported in USDA's Agricultural Prices publication.

At the end of each month, USDA will calculate the National Average Dairy Feed Cost. If the feed cost is calculated to be less than \$7.35, the base milk price

Characteristic	Value
<i>Base Class 1 Target @ Boston (\$/cwt)</i>	16.94
<i>Class 1 Payment Rate (%)</i>	
Oct. 1, 2007 – Sept. 30, 2008	34
Oct. 1, 2008 – Aug. 31, 2012	45
After Aug. 31, 2012	34
<i>National Average Dairy Feed Cost (\$/cwt)</i>	
Jan. 1, 2008 – Aug. 31, 2012	7.35
After Aug. 31, 2012	9.50
<i>Feed Cost Adjustment Rate (%)</i>	45
<i>Annual Payment Quantity Limit (1,000 lbs)</i>	
Oct. 1, 2007 – Sept. 30, 2008	2,400
Oct. 1, 2008 – Aug. 31, 2012	2,985
After Aug. 31, 2012	2,400

will be \$16.94. If the feed cost is higher than \$7.35 per cwt., the percentage increase above the base is multiplied by 0.45. The \$16.94 base price is then increased by this value.

Using this feed cost adjuster would not have increased the MILC payment milk price from March 07 to April 08. As of May 23, 2008, Dr Brian Gould projected MILC payments for July 2008 through May 2009, using CBOT and CME futures prices. None of the projected prices were lower than the target

MILC price, meaning no MILC payment would be expected. Those projections used much higher feed costs than are currently being paid.

MILC Program Comparison

Dairy producers must sign up for each year they wish to participate in MILC. Additionally, producers that expect to produce more milk than the annual payment quantity limit must choose those months in which they want to receive payments. For Iowa dairy herds of approximately 147 cows or less, all of their milk production will qualify for possible MILC payments. Larger herd owners will need to determine which months might receive the largest MILC payments and sign up to participate in those. Once producers are signed up for participation they may not opt out until the next fiscal year.

(continued on next page)

Dairy Product Price Support Program (DPPSP)

The 2008 Farm Bill redefined the way USDA's Commodity Credit Corporation (CCC) will support milk prices. Rather than directly support Class III prices, the CCC will purchase dairy products at specific prices:

- Cheddar cheese blocks: \$1.13
- Barrels: \$1.10
- Butter: \$1.05
- Non-fat Dry Milk (NFDM): \$0.08

The 2008 farm bill authorizes the Secretary of Agriculture to operate this program from January 1, 2008 to December 31, 2012.

The move to purchasing dairy products at fixed prices no longer supports a specific manufacturing milk price. It also avoids the butter versus powder tilt issues. Under the previous milk price support program, when butter purchase prices were reduced, NFDM purchase prices had to be raised in order to maintain a specific manufacturing milk price.

calculation was that dairy production contributes 25% to the limit allowed for U.S. agriculture support. Even though no surplus dairy products have been purchased since 2004, WTO still scores dairy as if it receives a major price subsidy. The change to supporting dairy product prices is an attempt to avoid WTO problems. The initial milk product prices set are calculated to achieve a \$9.90 per cwt. manufacturing milk price, the same as the milk support price in the previous farm bill.

Dairy Forward Pricing Program

The 1999-2004 Forward Pricing Program (FPP) has been reauthorized in the 2008 Farm Bill. The FPP allows all non-cooperative milk buyers to contract Class III milk prices paid to dairy producers and cooperatives. The program applies only to milk marketed in Federal Milk Market Orders (FMMO).

Milk handlers may not require forward contracts as a condition of receiving milk, either from a dairy

producer or a dairy cooperative. Contracts may be entered into until September 30, 2012. The contracts may run until September 30, 2015. The Secretary of Agriculture must investigate complaints of coercion to enter into forward price contracts.

Summary

For dairy producers and processors, the 2008 farm bill is mainly a continuation of previous policy. No

major dairy farm policy changes have been enacted since the initial authorization of MILC. Only minor changes or modifications were enacted in the 2008 farm bill. The addition of the feed cost adjuster to the MILC program brings it closer to a counter cyclical gross margin program. The dairy subtitle of the 2008 farm bill was not a source of political controversy nor did it hold up passage of the bill, unlike in 1996 and 2002.

<i>Product</i>	<i>12-Month Net Removal Triggers</i>	<i>Maximum Per Lb. Decrease</i>
Cheddar Cheese	> 200 mil. lbs and < 400 mil. lbs	10¢
	> 400 mil. lbs	20¢
Butter	> 450 mil. lbs and < 650 mil. lbs	10¢
	> 650 mil. lbs	20¢
Nonfat Dry Milk	> 600 mil. lbs and < 800 mil. lbs	5¢
	> 800 mil. lbs	10¢

The 2008 farm bill also allows the Secretary to reduce support prices if CCC purchases become too large over a 12-month period. See the table below for the trigger amounts and prices.

Table 1: Dairy product Price Support Program, Price Cut Triggers

An objective of the restructuring in milk price supports is to reduce dairy's contribution to Aggregate Market Support (AMS). The U.S. no longer supports a specific milk price to be received by dairy farmers. During 2007, the World Trade Organization (WTO)