



# Dairy Dispatch

The Official Newsletter of the Kansas Dairy Association

*Providing a unified voice for Kansas Dairy Farmers*

Volume 10, Issue 1

January - February 2003

## 2003 Kansas Dairy Association Annual Meeting

February 21-22, 2003

Best Western Inn  
Wichita North

**SEE YOU THERE!**

Questions? Call Ben Hopper at (785) 456-8357

### Kansas Dairy Association Annual Meeting Agenda

Call To Order - Warren Winter, President  
Minutes from 2002 Annual Meeting  
Year-End Financial Report

#### Reports

- KSU Watershed Specialists, Mike Christian
- National Dairy Board, Lynda Foster
- Midwest Dairy Council, Jane Brynes-Bennett
- KSU Research Report, Mike Brouk
- KDC Year-In-Review – Dennis Metz
- KDA Year-In-Review – Warren Winter
- Legislative Report – Chris Wilson
- Dairy Producer Handbook - Ben Hopper

#### Old Business

#### New Business

- Election of four (4) KDA Board Members
- KDA Board Appointments
- Presentation of 2002 Budgets for KDA and KDC

Adjourn -- Scheduled for 3:30 p.m.

#### Friday

- 2:30-6 pm Registration
- 2 pm Holstein Association Board of Director's Meeting - TBA
- 7 pm KDA Social - TBA
- Kansas Dairy Expo - Exhibitor set up in Regency III

#### Saturday

- 7-10 am Registration
- 7 am Breakfast - Regency III
- 8 am-1 pm Kansas Dairy Expo - Regency III
- 9 am Jersey Association Meeting – TBA
- Holstein Association Meeting – Regency II
- 11 am Lunch – Sponsored by Kansas Dairy Commission – Regency III
- Kansas Dairy Leader Award Presentation
- 2003 Distinguished Dairy Family Award
- 2003 Kansas Jersey Cattle Association Awards
- 1 pm Kansas Dairy Association Annual Business Meeting – Regency III

### Kansas Dairy Expo 2003

Exhibitors can purchase a booth for the 2003 Kansas Dairy Expo in conjunction with the Annual Meeting. This is a great way for Kansas dairy producers to meet businesses and companies that serve them, see new innovations, and gain beneficial information.

For information about purchasing a booth, contact Ben Hopper at the KDA office at (785) 456-8357 or email him at [bhopper@agresources.com](mailto:bhopper@agresources.com).

**Make plans to attend!**  
**For room reservations, call (800) 362-0095**

### The KDA Mission

The mission of the Kansas Dairy Association is to:

- ...provide a unified voice for dairy farmers;
- ...cooperate with other organizations and agencies toward common goals;
- ...provide information and education;
- ...perform selected activities to improve the economic status of Kansas dairy producers.

### The KDA Vision

*KDA will be...*

- ...an organization devoted to supporting the Kansas dairy industry and family dairy farmers. It will be made up of committed and involved members led by active officers and supported by administrative staff.
- ...an effective, visible organization promoting cooperation, education, and communication for the betterment of all Kansas dairy farmers.

All Kansas dairy producers who participate in the statewide, voluntary assessment to the Kansas Dairy Commission are automatically members of the Kansas Dairy Association. Non-producers and businesses may join the KDA as associate members.

Membership in the KDA entitles you to a subscription to *The Dairy Dispatch*, the official newsletter of the KDA, as well as other special membership mailings. You will also be invited to attend the KDA's Annual Meeting, held in February of each year, and the KDA's annual Dairy Delights Legislative Reception.

Associate membership dues help the KDA provide a unified voice for all Kansas dairy producers. If you would like to join the Kansas Dairy Association, please complete the form below and submit it to: Kansas Dairy Association, 4210 Wam-Teau Drive, Wamego, KS 66547.

### Kansas Dairy Association Associate Membership Form

Today's Date \_\_\_\_\_ Phone Number (\_\_\_\_) \_\_\_\_\_

Name \_\_\_\_\_

Farm or Business Name \_\_\_\_\_

Complete mailing address \_\_\_\_\_

City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_

#### Level of Membership (Check one)

\_\_\_\_\_ \$50 Individual Associate Member

\_\_\_\_\_ \$100 Business Associate Member

\_\_\_\_\_ \$100 or more Gold Club Associate Member

### Kansas Dairy Association Board of Directors

**Warren Winter, Chairman**  
Route 1, Box 11  
Hillsboro, KS 67063  
(620) 947-3429

**Dennis Metz**  
1313 E. 20th S.  
Wellington, KS 67152  
(620) 455-3556

**Curtis Steenbock**  
881 3rd Road  
Longford, KS 67458  
(785) 388-2664

**Elwood Schmidt, Vice Chairman**  
10570 Anderson Avenue  
Riley, KS 66531  
(785) 485-2651

**Steve Ohlde**  
898 Quivira Road  
Linn, KS 66953  
(785) 348-5457

**Richard Benoit**  
HC 01 Box 3  
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(785) 839-4285

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Osawatomie, KS 66-64  
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*The Dairy Dispatch* is published regularly by the Kansas Dairy Association. Comments, questions, suggestions or advertising inquiries may be sent to the Association at the address above.

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2231 County Road 31  
Rexford, KS 67753  
(785) 462-9974

**Jerry Spielman**  
RR 3 Box 38  
Seneca, KS 66538  
(785) 336-2581



## Dairy Delights Legislative Reception

January 27, 2003  
5 - 8 p.m.

Dillon House  
404 SW 9th Street  
Topeka, KS

Come and visit with your  
state legislators.



### 2003 Legislative Session Update from Chris Wilson

The Legislative Session is set to get under way as this issue goes to press. Ben and I are looking forward to representing your interests during this Session. Please contact us any time you have questions or suggestions.

We will be sending out frequent email messages with updates on the Session. Please let us know if you'd like to receive these updates. We will also be posting these updates to the web site, and you can access legislative information by going to [www.ksdairy.org](http://www.ksdairy.org), and clicking on legislative news. During the Session, we will likely add a confidential for members only portion to the web site, and we will notify you of a log in id and password to access that information.

We are working on updating other areas of our web site to make more information available to you on the web.

On the regulation front, EPA issued long-expected **Confined Animal Feeding Operation (CAFO) rules** last month (see Ben's article on p. 5). Also, **regulations for bulk pesticides** were promulgated by the Kansas Department of Agriculture, and became effective December 27, 2002. These regulations require anyone with 350 or more gallons of bulk pesticide on hand at any one time to have secondary containment for the containers and a loading pad. The regs also apply if you have 1000 or more gallons

of bulk pesticide total during a 365-day period. Bulk pesticides are defined as those in greater than 55 gallon containers. If you have questions on these regs or would like a copy, please call me, or you can go to the Department of

Agriculture web site, [www.accesskansas.org/kda/Regulations/main.htm](http://www.accesskansas.org/kda/Regulations/main.htm) and click on bulk pesticide regulations.

We are also working on **property tax issues**. There are two areas of concern at this time. One is **appraisal of freestall barns**. Some county appraisers are appraising these facilities at exorbitant levels, and we want to work with the Department of Revenue Property Valuation Division to provide information for county appraisers to do

a better job assessing dairy facilities. The other area of concern is with **appraisal of livestock waste lagoons**. These are environmental protection facilities, required by regulation, we contend do not add economic value to the facility equal to their construction cost. There is a PVD memo regarding the fertilizer and chemical containment facilities, similar in nature, which directs county appraisers in assessing them. We need a similar memo from PVD to counties regarding livestock waste lagoons, and will be pursuing that with the new Administration.

#### Important Contact Information

KDA office - 785-456-8357  
Lobbyist message center -  
785-234-5500  
Chris' cell phone - 785-221-1327  
[chris@agresources.com](mailto:chris@agresources.com)  
Ben's cell phone - 785-221-1190  
[bhopper@agresources.com](mailto:bhopper@agresources.com)

# Hang tight! \$14-15 ahead

Taken from Dairy Profit Weekly, December 9, 2002

www.dairyprofit.com



Hang on. Better times are coming. By September or October of next year, Class III prices could break \$14.60, says Agri-Mark economist Bob Wellington. That means \$16 blend prices in the Northeast, "and I think I may be conservative," he says.

For now, though, prices remain depressed. November's Class III price fell 88 cents to \$9.84, while California's comparable 4b price dropped \$1.45 to \$8.97. Butter-powder milk prices fared better, up 8 cents to \$10.58 in federal orders, and up 9 cents to \$10.19 in California.

Large dairies will take the brunt of low milk prices as will markets with high Class IV or 4a utilization, such as California. Best estimate are that California's all-milk price will be 36 cents per hundredweight lower in December due to USDA's recent butter-powder price tilt, says Jim Tillison, Alliance of Western Milk Producers, but the good news is that December's 4b price will be above \$10.

For small farms, much of the tilt's impact will be offset by government payments under the Milk Income Loss Contract Payment. "I'm looking for payments of \$1.70/

cwt. in January and February," Wellington says. But most large and many medium-sized herds have already received their full MILC payments for this fiscal year.

Good things are also developing on the market side. Demand is picking up, especially on butter, Wellington says, and supply should begin to tighten. For 2003, Wellington predicts output will be flat, and in the fourth quarter, down about 2 percent. Producers in the Northeast, like those elsewhere, are "fully extended," he says, and credit is tight and feed prices rising, more cows are typically culled.

Class IV prices, however, will be nowhere near as high as Class III prices in 2003. Wellington predicts a Class IV peak next fall of only \$11. Class III will be the star with spot cheese prices rising to \$1.60 by fall, he says, and a cheese milk price that nears \$15 "is almost a slam dunk."

Tillison, however, is not as optimistic on 2003 prices. The U.S. all-milk price will probably average near \$11.50 or \$12 next year, he says, with Class III prices hopefully peaking near \$14. But, he adds, 2004 should be better.

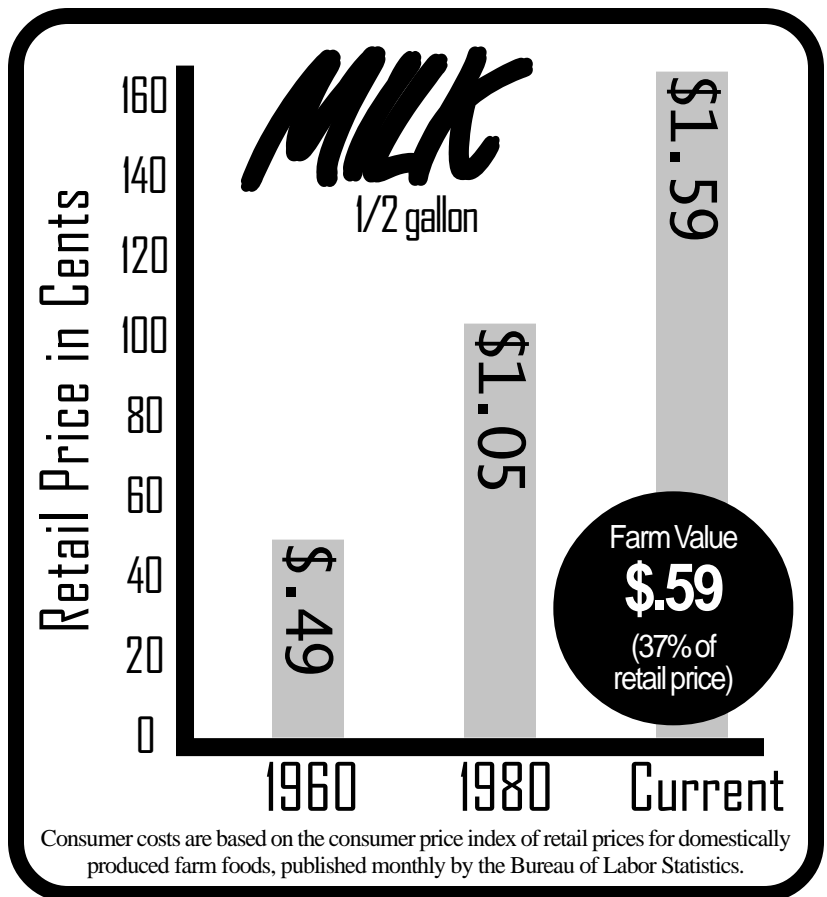
## A One Day Conference

February 11, 2003

### Kansas Livestock Facility Composting Conference

Featuring **Robert Rynk** of the BioCycle Magazine and **Steve Moeller** of The Ohio State University

This conference will provide the latest information for livestock facilities on the how-to of composting both manure and dead animals, the economics of composting, how to sample the compost, bio-security issues, and give an overview of the K-State manure composting facility. You'll network with livestock producers who already compost both manure and dead animals. For questions, contact Ken Powell, KDHE, at (785) 296-1121 or at [kpowell@kdhe.state.ks.us](mailto:kpowell@kdhe.state.ks.us)



## CAFO Final Rule Update

The EPA Region 7 hosted a seminar on the Final Confined Animal Feeding Operation Regulations December 19, 2002 in Kansas City. The Final Rule simplifies and clarifies the existing NPDES (40 CFR Part 122) and effluent limitation guideline (40 CFR Part 412) and focuses permitting on the largest operations and operations that pose the greatest environmental risk. The Rule also maintains the current permitting structure and promotes State flexibility and voluntary programs to help smaller AFOs avoid being regulated as CAFOs.

EPA, KDHE, and NRCS will meet in January to finalize comparisons and then the best way to get the information out to producers will be determined.

### Is my dairy cow or heifer operation a CAFO?

Your operation is a CAFO if it is an animal feeding operation (AFO) and it meets one of the following conditions

#### Large CAFOs

- 700 dairy cows or more
- 1,000 heifers or more

#### Medium CAFOs

- 200 dairy cows or more
- 300 heifers or more

and

- a man-made ditch or pipe carries manure or wastewater from your operation *or*
- your animals come into contact with surface water running through the area where they're confined.

### What are some of the major changes?

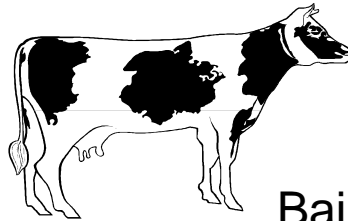
- All CAFOs must apply for permit.
- Removes the 25-year 24-hour permitting exemption.
- BAT retains the allowance for overflows/discharge from properly operated facilities designed to contain manures and runoff from a 25-year 24-hour storm for existing sources and for new source Beef and Dairy operations.
- Established voluntary alternative performance standards based on innovative technologies for both existing and new sources.
- Requires CAFOs to develop and implement nutrient management plans and carry out best management practices under those plans.
- Requires CAFO to submit an annual report to the permitting authority.
- Requires Large CAFOs to keep records for manure transferred to another party and to give a copy of the manure nutrient analysis to the recipient.

For more information: [www.epa.gov/npdes/caforule](http://www.epa.gov/npdes/caforule)

Wichitans are being asked to "Trade one soft drink or sugared beverage a day with a lowfat dairy product" in "Imagine Wichita," a new wellness campaign cosponsored by a health club and a hospital chain. Other goals Wichitans can sign up for, are to eat more fruits and vegetables, get 30 minutes of physical activity on most days of the week, choose a tobacco-free lifestyle and to lose weight.

Source: Midwest Dairy Council

## COMPLETE HOLSTEIN DISPERSAL



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January 29**

10:30 a.m.

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# Farmer tries creative selling

Dairyman bottles milk in glass jugs and sells it locally

## The Associated Press

WELLSVILLE - If you've got Will Newhouse's milk, then you got it the old-fashioned way.

The Wellsville dairyman is peddling milk in a way that hasn't been seen in northeast Kansas for a generation. It is bottled in glass jugs and sold locally.

Since opening in May, Newhouse Dairy has sold milk in 25 stores across Kansas. In Lawrence, 2,000 gallons per week are sold at Hy-Vee stores and The Community Mercantile. The price: about \$2.50 per gallon.

"He doesn't spare the horses - it's rich," said Bob Bunyard, a Kansas City, Mo. resident who picks up milk at the Newhouse dairy whenever he is in the area.

Newhouse is in the vanguard of small farmers looking to prosper by processing and selling their goods locally instead of surrendering profits to a chain of middlemen between producers and distant markets.

Experts say people are increasingly interested in - and willing to pay for - quality food produced locally. They open their pocketbooks for the higher priced products for a variety of reasons, not least of which is nostalgia for simpler times.

Some call the phenomenon "the slow food movement." Italian Carlo Petrini, dismayed by a McDonald's fast-food restaurant in Rome, founded Slow Food in 1986. Now international, with 65,000 members, Slow Food originally focused on food-making traditions that couldn't be replicated in factories.

These included cheese-making, said Tom King, president of Slow Food Kansas and a chef in Lawrence. In the Midwest, the movement has come to mean locally, sometimes organically, produced foods sold from the back of pickups and in specialty aisles in grocery stores.

It is all about reconnecting people with the food they eat, said Nancy O'Connor, nutrition educator at The Community Mercantile. It is empowering to eat a tomato grown in land 2 miles away instead of 2,000, she said.

One reason for growth in the slow food movement is that Americans have more disposable income to spend on luxury foods, said Andrew Barkley, a professor of agricultural economics at Kansas State University.

"People are willing to pay more for food with attributes that they think are important," Barkley said.

Newhouse has seen firsthand the willingness to support local agriculture. Despite its higher price, consumers are drawn to his milk's freshness, he said.

The glass bottles spare it the taste endemic to milk in plastic jugs. And the chocolate milk approaches the texture of melted ice cream. Sales also have been helped by the product's quirkiness—especially the recyclable glass bottles that require a \$1.50 deposit.

"They all want something no one else has," Newhouse said. "People want to know nowadays where their product comes from."

Finding a way to sell his milk in glass was an obstacle to overcome. Until he found a bottle washing

machine, something no longer widely used in the dairy industry, his operation was at a standstill. In Massachusetts, he finally found one—that was 60 years old.

"I don't know if there's even a new one in existence in the United States," he said.

And unlike most dairy farmers, Newhouse hears from the people who drink his milk. He regularly gets calls from customers with questions. Some even visit his dairy.

"They like to relate to Newhouse Dairy," he said. "They like to say, 'I spoke to that person. I know that person.'"

Newhouse started the dairy because he wanted to stay in the rural community and was tired of driving a milk truck back and forth to Oklahoma.

"I'm doing it to control my market," he said, "to control my own destiny."

Before he started processing and bottling milk, Newhouse had a small operation dependent on middlemen. Expansion wasn't an option. His farm runs to the city limits. So he had to do something different.

"You either have to be big, really extremely big, or have to find a niche," he said.

"I think it's a time when people in agriculture are looking for something very different," Newhouse said. "Farmers need to take back their markets."

*Editors note: Some edits were made to shorten article for content and to fit in space.*



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# **Kansas Dairy Commission News**

## *Kansas Dairy Assessment Dollars At Work*

*By state statute, the Kansas Dairy Commission is charged with conducting a statewide campaign of dairy industry development through research, education and information. If you have a project that meets any of these three criteria, you can submit a request for funding to the Kansas Dairy Commission at 4210 Wam-Teau Dr., Wamego, KS 66547.*

## **Kansas Dairy Commission Highlights**

The Kansas Dairy Commission board meeting was December 13, 2002, in the Seth Room at the Hays House in Council Grove, Kansas.

The board reviewed minutes and the financial report.

During new business, fund requests were considered. The board approved a \$500 sponsorship to the National Dairy Quiz Bowl team, led by Hershel George, for their trip to the national competition last

fall. A request from the 4-H Foundation was tabled to learn what dairy programs would benefit or be sponsored.

Diary promotional items and programs were discussed.

The next meeting will be January 27 at the Dillon House in Topeka at 3 p.m.

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## **Kansas Dairy Association Highlights**

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The Kansas Dairy Association Board of Directors met December 13, 2002, in the Seth Room at the Hays House in Council Grove, Kansas.

Carrol Campbell, a dairy producer in Cowley County, presented information on property tax concerns for dairy.

The board reviewed minutes and the financial report. Wilson discussed the grant money from the Attorney General and the Department of Agriculture.

In old business, Wilson updated the board on

management of the Dairy Bar at the Kansas State Fair.

During new business, Elwood Schmidt resigned his position effective at the annual meeting. Prospective board members were discussed.

The Annual Meeting, which is February 21-22 in Park City (North Wichita) at the Red Coach Inn, was discussed. The Dairy Delights Legislative Reception on January 27 was also discussed.

The next meeting will be January 27 at the Dillon House in Topeka at 4 p.m.

***Happy New Year & Best Wishes for a Successful 2003!***

***The KDA & KDC Directors & Staff***

**Kansas Dairy Association**  
**4210 Wam-Teau Drive**  
**Wamego, KS 66547**

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## **KDA Associate Members**

*Please thank the following businesses and individuals for supporting KDA as Associate Members.*

### **Gold Club Associate Members**

Accelerated Genetics, Bethany, MO  
Ag Engineering Associates, Uniontown & Garden City  
Heinen True Value Farm Supply, Seneca  
Holstein-Friesian Association of Kansas  
Countryside Feed, LLC, Hillsboro  
Nu-Ag Bosko, Nickerson, KS  
PerforMix High Plains, LLC, Garden City  
Wheatland Ag, Inc., Bennington  
Will Thompson Consulting, Tulsa, OK

### **Business Associate Members**

Ag Engineering Associates, Uniontown  
Ag Processing, Inc., Hastings, NE  
Cattle Wise, Inc., Ed Garrett, Manhattan  
Custom Tech Blends, Inc., Sublette  
Excel Soybean Technologies, Oskaloosa  
FC Stone LLC, Abilene  
Hamilton Supply, Hillsboro  
Kansas State Fair, Hutchinson  
Midwest Farm & Dairy Supply, Hutchinson  
Midwest Livestock Systems, Inc., Beatrice, NE  
Miguel Dairy Service, Syracuse  
Joe Mitchell Dairy Service, Seneca  
Sedgwick County Fire District #1, Wichita  
Sioux Automation Center, Sioux Center, IA  
Sunrise Commodities, Levelland, TX  
Swihart Sales, Quinter  
Vision Quest Dairy Solutions, Paola  
Wildcat Feeds, LLC, Topeka

### **Individual Associate Members**

ABS Global, DeForest, WI  
Berry Companies, Wichita  
DFA Financing Services, Anthony E. Brauer, Haven  
Mike Brouk, Manhattan  
Burton-Fellers Sales, Inc., Berryton  
Jane Byrnes-Bennett, Midwest Dairy Council, Wichita  
Ed Call, Manhattan  
Dick Dunham, Manhattan  
Genex/CRI, Scott Mesik, Ottawa  
J Bar J Inc., John Riehl, Partridge  
Dick James, Verdon, NE  
M. and K. Keil Cattle Co., Russell  
Kleeman Sales Service, Pryor, OK  
Jim Morrill, Manhattan  
Sheila Leiker Page, DHIA Field Tech, Victoria  
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Biozyme, Inc., Roger Schlick, Hoxie  
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Sealey Trucking, Ron Sealey, Sedgwick  
Select Sires, Al Funk, Nortonville  
John Shirley, Manhattan  
Dan Smith, Montpelier, VT  
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SMS Nutrition, George Miller, Greeley  
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