

NCSU Dairy Extension News

Fall, 2005

North Carolina Dairy Security Committee Activity Report

by Buddy Gaither, President of Milkco, Inc.
and NC Dairy Security Committee Chair

On August 31, a Dairy Business Continuity Workshop coordinated by the N.C. Dairy Security Committee, was held in Durham. The focus of this meeting was to develop a regional response plan for animal diseases (Foot and Mouth Disease (FMD) in particular), which would allow non-infected areas to continue to function. Attending this important meeting were State Veterinarians from N.C., S.C., and Va, USDA representatives, and a cross-section of the Dairy Industry- including producers, co-ops, processors, distributors, regulatory, and university extension. Trade associations represented included N.C. Dairy Producers Assn., Carolina-Virginia Dairy Products Assn., Farm Bureau, International Dairy Foods Assoc. and SUDIA.

Foot and Mouth Disease is a known bio-terrorism threat. As now structured, FMD (Foot & Mouth Disease) response lacks regional planning that would allow for business continuity for producers that remain negative. Current planning would utilize transportation lock-downs and depopulation of both infected and suspect animals. These plans also need to contain procedures for allowing lifting of movement restrictions for negative animals in non-infected areas as well as use of vaccine and other measures to protect animals. USDA has increased the ability to test for FMD after an event by creating a network of 12 regional labs and other smaller labs but still the only lab in the nation that can run a confirmatory test is at Plum Island, N.Y. Technology for testing and even vaccinating for FMD is making great progress, but national planning efforts are still slow to include them especially on a regional and state level.

The NC Dairy Security Committee (an unofficial, volunteer group made up of people from all sections of the industry) has been working for 2 years to convince the USDA that we must have a regional plan that addresses the particular needs of the states and industries in different regions of the country. These plans must not only control infected areas, but also identify safe areas quickly and allow business to continue to the extent possible. Under the current response plans, and with current testing and vaccine limitations, the dairy industry would face a catastrophe caused by the blanket response, regardless of the whether the industry was actually infected or not.

The Business Continuity Workshop reviewed recommendations to USDA for Regional Planning. These recommendations were developed by Industry Subcommittees (Producer/Transport Sub-committee and Processor Sub-Committee) as well as a Sub-committee of the State Veterinarians from Ga., Va, NC, Tenn, and Ky. Extensive supplementary information was also provided by Dr. Jimmy Tickel (NCDA Emergency Programs) and Dr. Barrett Slenning (NCSU - Veterinary Medicine). Dr. Tammy Beckham (Department of Homeland Security) and Dr. Tom McKenna from USDA - APHIS updated the group on testing procedures and prospects for their use in the recommendations from the sub-committees. Outcomes for the workshop included:

- 1) Farm and Processing Plant Biosecurity recommendations
- 2) Proposal for Status testing procedures to allow negative farms to move milk
- 2) Proposal to develop a farm and plant model incorporating the recommendations
- 3) Proposal to review California vaccine plan for our Industry (state and regional)
- 4) Investigate indemnity and insurance issues

The Dairy Security Committee feels it is essential that everyone involved with the industry actively support the effort to change the FMD response plans. We are trying to involve 3-4 more southeastern states in the effort, and we are encouraged that USDA is listening to us. California is now voicing some of the same concerns.

The Dairy Security Committee will continue to work on regional procedures for containment of any FMD outbreak. Our goal is that both farms and plants have the necessary tools, knowledge, and procedures available before any incident occurs - otherwise we will have a hopeless situation.

For additional information on this effort, please contact Dr. Don Pritchard at 919/515/8805.

***Students Promote the Dairy Industry Through
Milk Vending Machines***

by Brittany Parker
High School Student from Mt. Ulla, NC

Being raised on a dairy farm, I am innately aware of the milk products that are consumed in my school. As an athlete I am also aware of the nutritional and health issues involved with the foods that the average high school student eats. Additionally, my parents have often stressed the importance of eating healthy foods, which includes drinking milk. These factors were instrumental in initially spurring my interest in this project.

As the incoming FFA president last fall at the West Rowan High School, I was looking for a way to promote the dairy industry and be more active in supporting our FFA program. The summer prior to my term as president I read in the Western Dairyman Magazine about an FFA chapter in California that installed milk vending machines in their school. The California FFA Chapter was able to promote the milk industry while at the same time earn a profit from the sale of milk. This type of project seemed to be a perfect fit for our FFA chapter. From that time, my dad, Richard Parker, and I started doing research to see if milk vending was an option for our school. I contacted my FFA advisors, Jason Chester and Robert Howard, about the idea, and they said that as long as the principal approved it, it would be a great project. With very little coercion, my principal agreed that the benefit of vending milk would be a great asset to our school, and that we should attempt to make the idea a reality.

By mid-September 2004 my dad and I had started some hard research on what types of milk would be the most preferred and profitable for our situation. Through our research we found a company named Shamrock Farms in Arizona. We chose this company because of their ultra pasteurized product and the broad selection of flavors they produce. The flavors that we use in our vending machine are whole chocolate milk, low fat chocolate milk, no sugar chocolate milk (made with Splenda), low fat vanilla, low fat strawberry, 2% milk, and low fat caramel milk. The milk is bottled in 12 oz. plastic jugs and sold for a dollar. After we decided on the company and flavors of milk, we bought a refurbished milk vending machine from vendweb.com with the help of SUDIA.

By March 18th, 2005 we had the vending machine set up and stocked in the cafeteria lobby. Our chapter set up a taste testing table by the machine and let everyone try any kind of milk they wanted. This really got visibility for our products, as well as promoted the interest of people. By March 29th we had sold 986 bottles. By March 31st 1197 bottles had been sold. From these numbers it is obvious that our milk vending machine endeavor has been an initial success. Many of my classmates have indicated that the large selection of great tasting milk has enticed them to buy our product.

After seeing the success we had with the first machine, we added a second machine, again with the help of SUDIA. We placed that machine in the agriculture hall of our school. We've found that the machines not only increase the sales of milk, but also increase the sales of additional food items in our school cafeteria.

This project has been very successful and we are excited about continuing to sell milk in the future. We have considered expanding our selection of items to include some other milk products. We feel very fortunate at the West Rowan FFA Chapter because of the tremendous support and enthusiasm we have received from our school and the dairy industry.

Advances and Future Plans for Dairy Research at The Piedmont Research Station

by Dr. Sandra Maddox, Director
NCDA&CS Research Stations Division

As most dairy producers know, a consolidation of dairy facilities within the NC Department of Agriculture and Consumer Services/NC State Research Stations system occurred in 2004. After the closure of the Umstead and Caswell dairies due to facility age and reduced use, a commitment was made to utilize funds to enhance and/or enlarge the remaining dairy facilities at the Piedmont and Cherry Research Stations. The proceeds from the sale of the Umstead and Caswell herd were retained through legislative action for use in achieving an expressed objective - to strengthen the dairy research facilities in the state to better accommodate the needs of the dairy research program and the dairy industry.

Meetings with dairy research faculty at NC State and with the NC Dairy Producers Association have occurred since the closures in July of 2004. From these meetings some short and long-range plans for utility of the assets acquired from the sale of the herd have been established. Four basic areas of need have been identified for use of the funds to best meet the expressed needs of the industry and research.

A key component of the plan is to continue to investigate the possibility of enlarging the Piedmont Research dairy to a 300-500 head herd. The currently available funds will not allow for a dairy of this size and needed land to be acquired. However there are long-range plans which are being pursued to

address funding for sighting and acquiring a facility of this size. Because of this current shortfall of funds to attain dairy expansion, the existing funds will be utilized to improve both the current and proposed dairy infrastructure at Piedmont. These improvements will upgrade the research potential of the existing dairy and will be completely usable when additional funding for the dairy expansion is acquired.

The improvements discussed with faculty and industry representatives include:

Construction of Dairy Lab

The addition of a laboratory at Piedmont is underway. The renovation of an existing structure at this location will serve as the lab. The renovation has been done with station personnel and is nearing completion. This facility will allow for on-site testing of blood samples, milk samples and numerous other tests to assist the research and veterinary projects on-going. This will expand the capabilities of research testing at this location. Additionally, a technical position in the dairy has been hired to support this effort as well. Pasteurization equipment and other pertinent equipment will be included in this facility.

Electronic Data Collection Equipment for the Parlor

The selection and specifications for upgrade of the existing dairy milking system is underway. The goal is to upgrade the capability of the existing parlor with regard to measurements such as cow temperature, ambient temperature, milk temperature and a number of other parameters. This will enhance the research capabilities of the existing research work on-going.

Upgrade/ Expand the Feed Handling Facility and Equipment

The first step in updating the feed system for the dairy is the construction of a bridge across Second Creek to allow for the safe movement of feedstuffs between different parts of the station. DOT Engineers and Hydrologists have been on site and are providing plans for the bridge. Upgrades of forage systems are presently being made. The existing milling and feed storage areas are inadequate for existing herd size and must be expanded to meet current needs and to prepare for proposed herd expansion. There is an imminent need for improved commodity storage and multiple commodities in large quantities. Additionally, improved feed handling equipment and the addition of blenders and mixers to allow for nutritional research are needed now and for the future research direction of the station.

Not only will the upgrade of these facilities be important to feed storage, but most importantly will allow us to efficiently utilize the grains that we produce within our system currently. We are selling low and having to buy at a higher price – with this system we will be able to alleviate this added cost and lack of efficiency thorough the improvement of storage and handling facilities.

Dry Cow and Calan Gate Improvements

Lane #3 in the dairy has been retrofitted and Lane #4 is under construction. This will allow for these lanes to be used to conduct nutrition research as individuals or as a herd unit. This will improve the research capabilities for determination of dry cow health and other parameters. Additional changes are being planned to retrofit the dry cow and heifer areas so as to facilitate calf health monitoring as well.

Each of the improvements proposed will facilitate improvement of the current dairy facilities at Piedmont and strengthen the research program in place. In addition, however, each of these

improvements are being scaled and planned to facilitate the needs of the proposed expanded herd size as well to insure the best utility of the funding that is available.

You are encouraged to visit the Piedmont Research Station and see what improvements are underway. Joe Hampton and Correll Hall will be pleased to share these advances and future plans with all interested parties.

Developing a Successful Value-Added or Specialty Farm Enterprise

by Dr. Geoff Benson, Extension Economist
Department of Agricultural & Resource Economics, NC State University

Change is continuous in farming. Prices, farm programs, trade policies, technology, markets, and consumer preferences all change continuously just to name some of the causes. Some farm enterprises benefit from these changes and some are harmed, so the search for profitable alternatives is a continuous challenge. There are no "silver bullets" but there are seven important questions that should guide the search for alternative enterprises. Answering each one of these is important to achieving success.

1. Why are you interested in alternative enterprises? Some of the issues to think about include your lifestyle and family income goals, the farm products or services of interest to you and other options that might help you achieve your goals. It also helps to examine the time and investment capital you have available.
2. What are consumers interested in buying and who will be your customers? Many farm families are not accustomed to studying their customers because they sell commodities that move into global markets. However, many of the alternatives to these traditional farm enterprises have local or specialty markets, so knowing your customers and marketing issues become very important. There are two aspects, conducting a market analysis of potential customers and your competitors, and an assessment of the competitiveness of your venture. Jack Welch, former CEO of General Electric is famous for his quote "If you don't have a competitive advantage, don't compete." This is just as true for family farm as it is for a major multi-national company.
3. What are you planning to sell and how will you sell it? There are four parts to the answer to this question: your product or service, how you will get the product to your customer, the way you will promote it, and how you will set your price.
4. Will your product require processing and, if so, how will you produce it? Food products have a host of technical, regulatory and production requirements for production, distribution and sale.
5. What business and legal issues apply? Depending on the type of enterprise and the scale of operation you may need to think about risk management & insurance, form of business organization, contracts, employment law compliance, business and employment taxes and intellectual property protection.

6. What resources will you need? Once your ideas have been well developed and you have a production and marketing plan you should assess just what resources you will need and where they will come from. These may include human resources (including family members and external advisors), facilities & equipment, suppliers and distributors, and financing (including your own money and borrowing needs)
7. Will it financially feasible and worthwhile? This is most people's least favorite part of planning but just because you CAN produce and sell something doesn't mean it will be a financial success. There are four aspects: The profitability of the venture once you get established; Cash flow, especially during the start up phase; Financial risk and risk management, including your exit strategy if things go badly wrong; and the ability of this enterprise to meet the lifestyle and income goals you identified in Question 1.

As you can see, these questions are easy to ask but not usually easy to answer. Sometimes the first answer you come up with is not workable or suitable and you have to back up and rethink your ideas. All of this takes a lot of work but it is well worth taking time to make sure the idea you are considering will work and to avoid problems or disappointments down the road.

***Premises and Animal Identification Program
Status in North Carolina***

by Dr. Mary Ann McBride, DVM
NCDA&CS Veterinary Division

The National Animal Identification System (NAIS) has been developed by the USDA APHIS with the goal of identifying animals affected with a disease of interest back to their farm of origin within 48 hours of notification. This is a monumental task, but one that will provide livestock producers with the protection they deserve for their herds. The information gathered will only be used for disease tracking purposes and is very basic – such as the producer's name and contact information, and the species of animals on the premises.

NCFarmID is North Carolina Department of Agriculture and Consumer Services' part of the NAIS. Our program started in February, 2005, with the goal of registering as many North Carolina farming facilities as possible over the next 2 years. We have already registered almost 2000 premises.

The USDA has set a timeline of having mandatory animal and premises identification in place by January, 2009, so NCDA&CS is actively participating to keep North Carolina on schedule for this goal. At this time, we are only registering farms and premises. The main animal groups of interest this first year are premises with cattle – both dairy and beef, and sheep and goats. No individual animal identification program has been initiated, as NCDA&CS awaits the USDA's direction on tagging protocols and approved devices. We anticipate further updates in about 6 months.

The NCFarmID team is providing presentations across the state at the request of NCSU's extension agents, and various cattle associations. If you know of a group that would like to

see our presentation, with the opportunity of on-site farm registration, please contact our office – Ms. Penny Page, penny.page@ncmail.net, 919-715-2951. Additional information and updates on the USDA's NAIS can be found at www.usda.gov/nais.

If you are interested in registering your dairy or farm, please contact Ms. Page at the above number or visit our website at www.ncfarmid.com. We are ready to help you become a part of this important national agriculture system that will provide protection for your animals in the event of a disease outbreak in the United States.

***News About a Key Component of the National
Animal Identification Program***

from the Dairy Herd News Source (Thursday, September 01, 2005)

Agriculture Secretary Mike Johanns announced earlier this week the Department of Agriculture's guiding principles for the development of a public-private partnership that enables the private sector to maintain animal movement data as part of the National Animal Identification System (NAIS).

"We are gratified by the growing support for an animal identification system, with over 100,000 premises now registered," Johanns says.

He adds, "We are eager to work closely with industry as they develop and maintain databases that contain animal movement information. After hearing the confidentiality concerns of producers, we envision a system that allows these databases to feed a single, privately held animal-tracking repository that we can access."

USDA's four guiding principles for the NAIS are as follows:

- * The system must be able to allow tracking of animals from point of origin to processing within 48 hours without unnecessary burden to producers and other stakeholders.
- * The system's architecture must be developed without unduly increasing the size and role of government.
- * The system must be flexible enough to utilize existing technologies and incorporate new identification technologies as they are developed.
- * Animal movement data should be maintained in a private system that can be readily accessed when necessary by state and federal animal health authorities.

USDA solicited public input on NAIS through a variety of means - including the formation of a special subcommittee under the Secretary's Advisory Committee on Foreign Animal and Poultry Diseases, a series of listening sessions across the country in 2004, and a thinking paper published for public comment in May 2005.

Public response indicates there is widespread support for a system to rapidly trace potentially exposed animals in the event of an animal disease outbreak. A majority of producers who responded also favored a system that allows the animal movement data to be privately held.

USDA officials will schedule a stakeholder meeting this fall to clarify expectations for the private tracking system and discuss user requirements and system specifications.

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NCSU Dairy Extension Web Page Address

http://www.cals.ncsu.edu/an_sci/extension/dairy/Dairyh~1.htm



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