

# Dairy & Food Issues, Impacts

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# Intro to Land O'Lakes

- Founded in 1921
- Farmer-owned
- Dairy marketer from Day 1
  - Branded, value-added point of difference
  - Members are individual milk producers
    - Midwest, Pennsylvania, California
- Ag inputs started with Feed
  - Became very diversified
  - In 1990s recognized need for focus
    - Land O'Lakes Purina Feed
    - Winfield Solutions – seed, crop protection
  - Members are 1000 local co-ops

# International Development

- Training, technical assistance
  - Focus on dairy, livestock production
  - Dairy processing
- Since 1981, 175 projects in 76 nations
  - In 2010, 25 projects in 27 nations
- 2009 accomplishments
  - Assisted 358 co-ops, producer groups
    - 109,000 individual members
  - 3159 schools in international school feeding
    - 350,000 students
  - 33,730 metric tons of U.S. commodities sold
    - \$11 million total value

# Climate change, carbon emissions

- Concerns about global climate change
  - Kyoto Accord, Copenhagen negotiations
  - Congress, Administration considering new laws, regulations to reduce emissions of carbon, greenhouse gases
- New rules will affect all Americans
- Agriculture, food processing will face increased costs for energy, agricultural inputs.
- Voluntary 'sustainability' initiatives
  - Reassure public that companies are sensitive to environmental impacts of our businesses
  - Use 'green marketing' to gain competitive edge in the marketplace.

# Current Status: Climate Change

- House passed bill in July 2009
- Senate consideration bogged down by partisan bickering
  - Kerry-Lieberman (with or without Graham)
  - Likely outcome: Not this year, but it won't go away
- EPA 'endangerment' finding
  - Regulate carbon under Clean Air Act
  - Disapproval resolutions in House, Senate
- Land O'Lakes position
  - Carbon opportunities for farmers
  - Protection from increased energy costs
  - No regulations by EPA, Clean Air Act

# Food Safety

- New law expected this year
  - Revamp our nation's food safety laws
  - Reassure the public that food supply is safe
- Expanded authority for FDA to enforce food safety laws
  - Require recalls when problems arise
  - Safety of imported food, product ingredients
- New law will affect food processors and feed manufacturers
- Need to address consumer confidence
  - 'Bad actors' could lead to restrictive and expensive rules that don't really achieve the goals of a safe food supply
  - Feed worries about rules designed for human food
    - Neither necessary nor practical for animal feed

# Animal welfare

- Dairy, livestock producers on the defensive
  - Graphic, disturbing exposes of farm animals
  - PETA, Humane Society of the U.S. advocate legislation to ban specific dairy, livestock practices
  - State legislatures are the battleground
- Producer groups response
  - Highlight actions to assure that farm animals are treated well
  - Consumers want to be assured that the meat and dairy products they buy come from responsibly managed producers
  - Farmers feel they deserve credit for the good job that they're doing
    - Frustrated that consumers are so easily influenced by sensationalist media

# Biotechnology

- Approval process for crops with biotech traits
  - Attack by activist groups, courts
  - Glorification of organic production
  - Lack of understanding
    - Technology has driven ag productivity
    - 1 farmer feeds 150 people
    - By 2050, 50% more people, 75% more food needed
- Roundup Ready alfalfa
  - EIS pending final publication at USDA
- Roundup Ready sugarbeets
  - Next battleground

# Gobal Food Security Act

- Lugar/Casey, McCollum/Emerson
- Change the way the U.S. delivers development assistance
  - More focus on education, production technology
  - New emphasis on rural development, institution-building
- Enhance, streamline delivery of food aid
  - Less reliance on donated commodities

# Farm bill

- House Ag Committee holding field hearings
- Preparation for 2012 farm bill
- Rep. Collin Peterson, D-Minn.:
  - “I don’t intend to produce a status quo farm bill”
  - Challenging farm, commodity groups to come up with new approaches
    - Get rid of fixed payments
  - Need to reduce federal expenditures
- Dairy concept: margin insurance program
  - Peterson likes the concept
  - Asking other commodities to consider similar

## Conclusion: Thank you

- Thank you for your commitment to agriculture
- Thank you for coming to Minneapolis
- Good luck with the rest of your meeting