Baseball Quiz: Last Week’s question: Name the Hall of Fame Baseball player who has the highest career batting average? This was a rather easy one. I believe everyone knew it was the Georgia Peach, Ty Cobb. He was not a very nice person but he could sure hit and he had a lifetime average of .366 which will likely never be approached by any future major leaguer. He played out his career with the Detroit Tigers and never did win a World Series. He played in the “dead ball” era when singles and doubles were the norm rather than home runs.

This week’s question: The All Star Game will be played next Tuesday, July 17th here at Nationals Park in D.C. It gives the fans a chance to see some of their favorite players in action. Personally, I am not a big fan of the All Star Game since it is meaningless. When home field advantage for the World Series was at stake, it meant something. This week’s question is a multiple choice. Of the four Hall of Fame players listed below, name the one who was selected for the most All Star Games?

a.) Hank Aaron,    b.) Willie Mays,    c.) Stan Musial,    d.) Mickey Mantle

And the bonus question is how many All Star Games did this player participate in? Hint – the number is higher than you might expect since major league baseball in its infinite wisdom had two All Star Games between 1959 and 1962 until they figured out that it suffered from “fan fatigue.” Contact Bob here: bgray15452@aol.com

House And Senate Ag Committees Prepare To Conference The 2018 Farm Bill

By Bob Gray

As Congress returned from the July 4th recess, the Chairs and Ranking Members of the House and Senate Agriculture Committees will be naming their conferees to work out the differences between the respective Farm Bills passed by both bodies in late June.

The Senate Farm Bill Dairy Title has more favorable provisions than the House version for dairy producers and therefore efforts will be made to include these provisions in the final Conference Report.
In previous Newsletters I have compared the Senate and House versions of the Risk Management Program (House version) and the Dairy Risk Coverage Program (Senate version), both formerly known as the Margin Protection Program. I will keep you posted as the Conference Committee convenes next week.

**Judge Brett Kavanaugh Supreme Court Justice Nominee**  
By Bob Gray

The new Supreme Court Justice nominee, Judge Brett Kavanaugh, is in for the fight of his life. The confirmation process is going to be a very, very tough fight as the Democratic side is going to challenge the Judge’s past opinions on a number of issues. He has over 300 opinions which is probably the most that almost any judge has made over the course of his career in being considered for the High Court.

The judge can be labeled as a “strict constructionist” when it comes to the interpretation of the Constitution. He does not believe judges should “legislate” from the bench but should interpret the Constitution as written.

In terms of issues such as the Waters of the U.S. and the definition of navigable waters, I believe he will adhere to the strict definition of what constitutes navigable waters under the Clean Water Act.

There are bound to be a number of environmental issues and other related cases brought before the Supreme Court in the next few years which will be of key interest to us in the agricultural community.

**Potential Return of Agriculture Guest Worker Legislation**  
By Bob Gray

It is my understanding that the House Judiciary Committee is preparing an updated version of the Ag Guest Worker Bill that was voted on by the House a few weeks ago and was part of Congressman Goodlatte’s Bill, H.R. 4760. The bill failed to pass on a vote of 193 to 231.

The Judiciary Committee is making changes to the ag provisions with the hope of securing more votes. The new legislation may be part of a broader Guest Worker Bill that will cover other sectors of the economy, including tourism and construction as well as other business sectors.

The new changes in the ag portion of the legislation have not been made available yet and therefore I am not able to provide more detail in this newsletter. We will keep you posted!

**Dairy Summit, August 13th, Albany, New York - “You Are Invited!”**  
By Bob Gray

- **When:** Monday, August 13, 2018
- **Where:** Empire State Plaza Convention Center (next to the Capitol in downtown Albany)
- **Time:** 8:30 AM to 5:00 PM
- **Who is invited?** Dairy producers, dairy cooperative leaders, Congressional Members and staff, State Secretaries and Commissioners of Agriculture and key staff, Farm Bureaus, agricultural lenders, other farm organizations and the media.
- **Purpose of the Summit:** All individuals who are concerned with the fourth year in a row of low farm milk prices and are looking for a solution that will address farm financial stress and persistent year to year price issues. The Summit will encourage proposals to examine ideas to deal with excess milk production in the market place as well as other options.
- **Submission of Proposals:** Bob Wellington, Senior Vice President of Economics, Communications and Legislative Affairs at Agri-Mark will moderate the meeting. One page draft proposals should be e-mailed to Bob Wellington prior to the meeting. His e-mail address is: rwellington@agrimark.net.
- **Please note the date and plan to attend if you can.**
I like to use charts and graphs prepared by NDFC member cooperatives in the Newsletter. I used several excellent ones that DFA prepared when they briefed Congressional staff back in February. Bob Wellington of Agri-Mark has prepared a hand out for the Dairy Summit meeting August 13th in Albany so I am using some of this background material for your review.

The first line graph shows the Blend Price from January 2000 through May 2018. As the line chart shows, farm milk prices have typically followed a three year high to low cycle. You will note higher milk prices in 2001 and in 2004 and 2007 and 2010 followed by a major price increase in 2014 where the Boston Blend Price averaged $24.58 per cwt.

<table>
<thead>
<tr>
<th>Year</th>
<th>Average Annual Blend Price($)cwt)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2000</td>
<td>$13.04</td>
</tr>
<tr>
<td>2001</td>
<td>$15.67</td>
</tr>
<tr>
<td>2002</td>
<td>$12.64</td>
</tr>
<tr>
<td>2003</td>
<td>$12.99</td>
</tr>
<tr>
<td>2004</td>
<td>$16.49</td>
</tr>
<tr>
<td>2005</td>
<td>$15.64</td>
</tr>
<tr>
<td>2006</td>
<td>$13.53</td>
</tr>
<tr>
<td>2007</td>
<td>$19.85</td>
</tr>
<tr>
<td>2008</td>
<td>$18.62</td>
</tr>
<tr>
<td>2009</td>
<td>$13.01</td>
</tr>
<tr>
<td>2010</td>
<td>$16.92</td>
</tr>
<tr>
<td>2011</td>
<td>$20.64</td>
</tr>
<tr>
<td>2012</td>
<td>$18.63</td>
</tr>
<tr>
<td>2013</td>
<td>$20.15</td>
</tr>
<tr>
<td>2014</td>
<td>$24.28</td>
</tr>
<tr>
<td>2015</td>
<td>$17.14</td>
</tr>
<tr>
<td>2016</td>
<td>$15.90</td>
</tr>
<tr>
<td>2017</td>
<td>$17.44</td>
</tr>
<tr>
<td>2018</td>
<td>$15.45</td>
</tr>
</tbody>
</table>

As you would expect, dairy producers tend to produce more milk during these higher periods of milk prices in order to capture the better margins at the farm level. This, of course, would create an imbalance in supply and demand and farm milk prices would decline.

However, most recently this three-year cycle has changed. As noted in the columnar chart farm milk prices fell significantly over the last four years as the Boston Blend Price went down to $17.14 in 2015 and to $15.90 in 2016 and $17.44 in 2017 and is projected to be about $15.45 this year. The next two or three-year Blend Prices are not projected to look good at all either, although it is extremely difficult to project that many years out. This fourth year in a row of low farm milk prices has as you all know been devastating.
The Blend Price line chart from January 2014 to May, 2018 shows only too well the trend in the farm milk price since the high water mark in 2014. Although the cost of production varies from farm to farm at $20.00 per cwt price is needed particularly by many medium and smaller dairy operations to break even.

One of the reasons other than increased milk production nationally that has depressed farm milk prices is that the export market for U.S. dairy products has seen prices for non-fat dry milk and whey powder – two dairy products which are a significant part of our exports, have fallen due to competition from abroad. We now export 14% of our annual 210 billion pounds of milk produced down from about 17% a few years ago.

The recent trade issues with Mexico have hurt as well since the Mexican government has placed 25% tariffs on certain U.S. cheeses and we sell 25% of our annual exports to Mexico.

Bob Wellington did a very good summary of prior efforts to manage U.S. milk supplies caused by over-production. I have reprinted this section below:

“Farm Milk Supplies

Dairy farmers have the most control over the volume of milk produced at their individual farms. Prior to 1980, farm milk prices were tied directly to the national support price for milk. Farming practices and technological advances increased milk production about that time and caused substantial purchases and costs incurred by the Federal government. Support price calculations were changed, resulting in greater financial stress on dairy farms.

Dairy farmers and their cooperatives worked with legislators to develop national programs to manage aggregate milk supplies.

The National Milk Diversion Program was in effect from 1984 to 1985. Dairy farmers would contract with USDA to lower their milk production by 5% to 30%. They were paid to do so. All U.S. dairy farmers were assessed $0.50 per hundredweight to offset the costs of the program. However, the program did not have the results hoped for under the program. Thorough analysis of farm production records by USDA showed that most farmers who had contracted to reduce production were already in the process of doing so, therefore it had little impact on the level or growth of milk production. The program was discontinued.

1. The Whole-Herd Buyout Program became effective in 1986. Under this program, dairy farmers could bid on a per hundredweight basis to have their entire herd culled. All dairy farmers were assessed $1.00 per cwt. to offset the costs of this program. This program slowed milk production initially, but many remaining farmers escalated their milk production to cover the costs of the assessment and to take advantage of higher milk prices expected from the buyout program. This program was also judged to be ineffective for more than a year or so and faced negative publicity from a program that was killing so many animals at once.

2. The Northeast Dairy Compact in effect from 1997 to 2001 had a component in its latter years that provided a financial incentive to producers who limited production. However, the program expired before any impacts could be determined.

3. The Cooperatives Working Together (CWT) Program initially included a program which would buyout the herds of participating farmers. Dairy cooperatives paid for the entire cost of the program and only members of those participating cooperatives could bid and receive payments if selected. This program also had limited impact after the initial buyouts, so it was discontinued. In addition, the legality of this type of program was challenged in court.
Supply and Demand
There are some basic economics that apply to the U.S. dairy industry. First and foremost, the concept of supply and demand setting price does work in the dairy industry. However, because of the perishability of the product, the importance of dairy as part of the American diet and other factors, often an imbalance in either factor can move price by a much higher degree.”

In summary, many dairy producers increase milk production to cover their cash flow during periods of low farm milk prices. Milk production has relatively high fixed costs for feed, labor and other expenses. And the assets used to produce milk - - milking parlors, free-stall barns, etc., cannot easily be utilized to produce alternative commodities. Growing other new crops on the farmland used to grow corn and hay will not cover the expenses dairy farmers have in buildings, equipment, cattle, etc.

The Heathen Chronicle, Chapter 16
By Willow and Mia Gray

Our mom is a whiz at taking pictures of us with her fancy phone. It’s no big deal at all. And we have never objected to posing for her. But for all of you folks who are “old school”, here are some valuable tips for photographing a puppy!

Remove film from box and load camera.
Remove film box from puppy’s mouth and throw in trash.
Remove puppy from trash and brush coffee grounds from muzzle.
Choose a suitable background for photo.
Mount camera on tripod and focus.

Find puppy and take dirty sock from mouth.
Place puppy in pre-focused spot and return to camera.
Forget about spot and crawl after puppy on knees.
Focus with one hand and fend off puppy with other hand.
Get tissue and clean nose print from lens.
Put cat outside and dab peroxide on your puppy’s scratched nose.

Put magazines back on coffee table.
Try to get puppy’s attention by squeaking toy over your head.
Replace your glasses and check camera for damage.
Jump up in time to pick up puppy and say, “No, outside! No, outside!”
Clean up mess.

Sit back in chair with lemonade and resolve to teach puppy “SIT’ and “STAY” commands first thing in the morning.

Naturalization Ceremonies
By Maggie McHugh

The usual end result of immigration, after all the paperwork hurdles are crossed, is naturalization. Since June 28th, sixty such ceremonies have either been completed or remain planned. Twenty-seven of these ceremonies will be carried out on July 4th, the 242nd birthday of the country, some at areas well known to Newsletter readers: Stillwater, Mumford, Albany, and Syracuse, New York; Plymouth, Vermont; Camden, New Jersey; Annapolis, Maryland; Portsmouth, New Hampshire; Northampton, Sturbridge and Lowell Massachusetts; Philadelphia, Pennsylvania; and Hartford, Connecticut. This is a photo of a June 27th naturalization ceremony in
New Jersey at the South Orange Performing Arts Center. This class featured immigrants from Mexico, Ecuador, Venezuela, Brazil, South Korea, Burma/Myanmar, Jamaica, Antigua, Nigeria, Germany, Italy, Belarus, Dominican Republic, Guyana, Haiti, Liberia and the Philippines.

The South Orange Community Relations Committee and SOMA Action Immigrants Rights Committee and the Township of South Orange created and hosted the public presentation of the Oath of Citizenship. Bringing off the event meant coordinating with U.S. Citizenship & Immigration Services/Department of Homeland Security. It wasn’t a “one and done” situation.

There was a lengthy checklist of requirements including a site visit by DHS officials. There were plenty of questions from the planners as to whether 1.) immigrants were still allowed to become citizens; and 2.) was it legal for towns to get involved in a swearing in ceremony? Questions resolved, the town was able to provide speakers for the event, a middle school choir to sing “America the Beautiful” and Boy Scouts to lead everyone in the Pledge of Allegiance. Even the Daughters of the American Revolution donated gift bags to the new citizens. At the end of it, after the breakfast and reception, the oath taking, the speeches and singing and pledging, there were 25 brand new Americans. Worthy of mention: attending in the audience were the American born children of some of the new citizens.

**Conference Time – 2018 Farm Bill**
*By Mike Oscar*

Farm Bill conference negotiations are upon us as members of Congress begin to return from their weekend Fourth of July recess. They will need to determine which lawmakers make the committee and a myriad of decisions loom over conference talks including a solution to the two bills' competing approaches to the Supplemental Nutrition Assistance Program (SNAP). As you may remember, Senate Ag Chairman Pat Roberts and ranking member Debbie Stabenow’s combined efforts to defeat an amendment that would have tightened SNAP work restrictions providing the latest indication that Senate leaders will not meddle or amend SNAP. Beyond SNAP, sorting out major disparities between the bills’ conservation titles remains challenging with each measure tweaking USDA’s three flagship conservation programs in different ways, but the biggest hurdle will be how to address the House's plan to eliminate the Conservation Stewardship Program and fold parts of it into the Environmental Quality Incentives Program. Finally, the committee will have to bridge a wide funding gap between the two conservation titles. Per the Congressional Budget Office (CBO), the House bill seeks to make $800 million in cuts to conservation programs over a decade and the Senate measure makes no overall cuts to the conservation title, although some programs would see slight reductions.

**President’s Supreme Court Nominee: WOTUS and COOL**
*By Mike Oscar*

President Trump's nomination of Judge Brett Kavanaugh to the Supreme Court may decide several cases regarding federal water regulations, including the expansion of the definition of what constitutes "waters of the U.S.,” which the EPA is in the process of rescinding and rewriting. Numerous WOTUS-related lawsuits involving states and groups representing the manufacturing, farming and oil sectors are tied up in the courts, and the repeal fight is expected to eventually head to the Supreme Court. Since Kavanaugh is expected to be a conservative jurist; thereby, he should have a narrow interpretation of what WOTUS constitutes. Additionally, Kavanaugh wrote a concurring opinion in a case in which U.S. meatpackers argued that the USDA requiring country-of-origin labeling violated the First Amendment. The meat industry lost that case, and Kavanaugh upheld the constitutionality of such labels, arguing that the government has historically had an interest in
supporting American manufacturers, farmers and ranchers against foreign competition. Finally, Kavanaugh’s confirmation places major political pressure on key senators. The Senate can confirm Kavanaugh with a simple majority of 51 votes. Senators Collins (R-ME) and Murkowski (R-AK) could vote against the nominee, but some Democratic Senators Manchin (WV), Heitkamp (ND), Donnelly (IN) and Jones (AL) could vote for Kavanaugh. Vice President Pence and Judge Kavanaugh begin their meetings today with Senators. Senate Majority Leader McConnell said he wants to move quickly on the nomination and hold a Senate floor vote this fall, before the midterm elections.

**Presidential Staff Turnover?**
*By Mike Oscar*

President Trump has seen staff turnover in excess of 37 percent over the calendar year ending June 30. 141 staffers, who worked for the president at that point last year are gone, with 138 new arrivals. President Trump’s White House is setting records for attrition as stated by the White House Transition Project's Martha Joynt Kumar. Some 61 percent of President Trump's senior-most aides have left the White House and only Bill Clinton's 42 percent comes close for the last five administrations.

**Pennsylvania 2018-19 Budget: $5 Million to Dairy Industry**
*By Mike Oscar*

Pennsylvania’s FY18-19 Budget includes $5 million to assist dairy farms struggling amid a persistently challenging market. The new funding is specifically dedicated for research and development, organic transition, value-added processing and marketing grants to support the state’s dairy producers working to maintain the viability of their operations.

**MARCELLUS SHALE UPDATE**
*By Mike Oscar*

**FERC Commissioner Powelson** - Unexpectedly, Robert Powelson, a Republican member of the Federal Energy Regulatory Commission and formerly the Pennsylvania Public Utility Commission Chairman 2011-2015, announced he will be resigning in August to take a new post as the head of the National Association of Water Companies. Powelson is the only Republican on the five member panel, who has openly opposed efforts to subsidize embattled coal and nuclear generators. His resignation could slow approvals of a new gas pipelines.

**U.S. Oil’s New Home, India** - India could become a major destination for U.S. crude as the US-China trade war will likely force Chinese refiners to reduce their dependence on U.S. oil. U.S. crude exports to India reached 4.7 million barrels in May.

**Court Decides on Lawsuit against Delaware River Basin Hydraulic Fracturing Ban** - On Tuesday, July 3, 2018, the U.S. Court of Appeals for the Third Circuit sided with Wayne Land & Mineral Group, LLC, which challenged the Delaware River Basin Commission (DRBC)’s 2010 moratorium on shale gas development. Last year, a federal judge dismissed the case stating that the DRBC’s has the authority to review and approve natural gas facilities as “projects” under its jurisdiction. Ultimately, the appeals court overturned the dismissal of a challenge by Northeast Pennsylvania landowners to a hydraulic fracturing ban in the Delaware River Basin, which returned the case to the trial judge for further hearings. Per the court opinion, the definition of a “project” in the 1961 DRBC’s compact was ambiguous and ordered the trial court judge to conduct more fact-finding on the intent of the compact’s authors before ruling on the lawsuit’s merits. Per the judge, “some provisions of the DRBC suggest that the drafters did not intend to define “project” as broadly as the commission contends.