

NAJ Shares Jersey Economics with Ag Lenders

The Jersey cow is the most efficient option for dairy producers and National All-Jersey Inc. (NAJ) has a mission to share that message with the dairy industry. One industry sector NAJ has been trying to reach more is agricultural bankers and lenders. When dairy producers go to their bank for an expansion or herd transition, the lenders and bank Board of Directors need to know that Jerseys are a commercially competitive and profitable option. NAJ aggressively reached out to agricultural lenders this month at the National Agricultural Bankers Conference.

The 2013 conference, presented by the American Bankers Association and held in Minneapolis, Minnesota, boasted over six hundred attendees from 33 states, five Canadian provinces, and six other countries. Over half of the attendees were bank officers or Board members and another 16% were specifically agricultural lenders or analysts. Six percent of attendees represented associations, and another six percent work for government institutions. Press and university departments were also represented. All of these sectors present opportunities to reach members of the agricultural industry that may not have been previously exposed to the advantages of Jersey cattle.

To start sharing the Jersey story, NAJ mailed a postcard to all pre-registered attendees the week before the conference inviting them to visit the USJersey trade show booth and highlighting the following Jersey advantages:

- Jersey herds improved income over feed cost by \$2.34 per cwt. and provided a feed cost savings of 12.7% in the 2012 California

Department of Food and Agriculture Cost of Production survey.

- The average pay price for Jersey milk in 2012 was \$22.18 per cwt., \$2.58 higher than the federal milk marketing order statistical blend price.
- To produce the same amount of milk fat, protein and other solids as Holsteins, Jerseys use 32% less water, 11% less land and have a 20% lower carbon footprint.
- Jerseys have the highest rate of staying in the herd, by an average of 7.5%.



NAJ President Dave Endres talks with Michael Hein, Vice President of Liberty Trust & Savings Bank in Durant, Iowa.

- Domestic demand for Jersey semen has increased 228% since 2000.
- Jersey is the fastest-growing breed in the U.S., projected to be 25% or more of the dairy cow population by 2025.

During the conference, NAJ exhibited in the trade show, with a booth featured eye-catching graphics and more

detailed information about average milk prices for Jersey herds, feed efficiency, sustainability, and income over feed cost advantages. NAJ President David Endres was in attendance for both days of the trade show, providing a producer view point and serving as a tremendous asset for reaching out to lenders.

NAJ also sponsored a coffee break during the conference, and sent a post-conference informational mailing to maximize exposure to the Jersey message. In addition, NAJ offered two door prizes to encourage booth traffic. Thanks to Queen of Quality® producers Marcoat Jersey Creamery of Greenville, Illinois and Young's Jersey Dairy of Yellow Springs, Ohio for donating cheese gift boxes as door prizes.

President Endres found NAJ's presence at the National Agricultural Bankers Conference "very beneficial" for exposing agricultural lenders to Jerseys and Jersey economics. "I'm assuming all of them, at some point, will be exposed to a producer wanting to expand with Jerseys," said Endres. "Now, those bankers have our [USJersey's] contact information for economic information and numbers."

NAJ hopes this successful conference will be the first of many contact opportunities with the agricultural lenders that work with our producer members on a daily basis. The American Bankers Association is based in Washington, D.C. and represents banks of all sizes on policy issues and provides training and advocacy. NAJ will invite ABA officers and employees to the 2014 AJCA-NAJ Annual Meetings in Arlington, Virginia to continue building relationships with the banking sector and give ABA the chance to connect with our members as we connected with theirs.

The AJCA-NAJ Annual Meetings will be held June 25 through June 28, 2014. Wednesday, June 25 will be a day for Jersey producers to visit Capitol Hill and attend scheduled meetings with their Congressional delegation. NAJ will schedule meetings for interested attendees, and to do so will require early conference registration. Online Annual Meeting registration will be available in January, so please register early and indicate your interest in visiting lawmakers and staff on Capitol Hill.



National Agricultural Bankers Conference attendees enjoying the coffee break sponsored by the American Jersey Cattle Association and National All-Jersey Inc.

Transportation for the Capitol Hill visits will be an extra cost on top of the basic meeting registration fee.

Before Jersey producers arrive in Washington, D.C. next summer, one way members can help NAJ reach out to the banking community is to share NAJ's Weekly Market Update with their lender. The Weekly Market Update is available for free; send an email address or fax number to Sarah Gilbert at sgilbert@usjersey.com to add a banker or new contact to the Weekly Market Update list.

Farm Bill Update

Currently in Washington, D.C., the subject of most interest to NAJ members and all of agriculture is the farm bill process. Unfortunately, there is not much progress to report this month, although the process has moved forward since our last newsletter.

The conference committee, consisting of twelve Senators and twenty-nine Representatives, met for the first time on October 30. The opening statements expressed optimism and a commitment to showing Congress can get something done. Since then, the four ranking members of the House and Senate agriculture committees (Sen. Stabenow, Sen. Cochran, Rep. Lucas, and Rep. Peterson) and their staffs met numerous times to try and reach a compromise. As of Thursday, November 21, the differences between the House and Senate versions of the farm bill remained too far apart, and House Agriculture Committee Chairman Frank Lucas said it would be "very difficult" to reach an agreement by the scheduled goal of December 13.

Nutrition assistance programs remain a critical point of contention between the two versions of the farm bill, with the Senate bill cutting \$4 billion of funding and the House version reducing nutrition assistance by \$39 billion. Several conferees also mentioned the differences in proposed dairy policy in their opening statements. National All-Jersey Inc. supports the dairy title as proposed in the House version of the farm bill and encourages members to continue contacting their Congressional representatives in support of the House version.

The NAJ Equity Newsletter is Published for Supporters of and People Interested In Equitable Milk Pricing