

**Washington State Dairy Federation
Board of Directors Meeting
Thursday, June 27, 2013
Holiday Inn, Everett
(Unapproved)**

**June 27, 2013
WSDF Board Meeting
Call to Order: 10:18 am**

A regularly scheduled meeting of the Washington State Dairy Federation Board of Directors was held on Thursday, June 27, 2013 at the Holiday Inn in Everett, Washington. President Chris Sybrandy called the meeting to order at 10:33 am. Steve Vander Haak gave the invocation. No introductions were given at this time.

Roll Call: Tony Freeman Jon De Jong Walt Abplanalp
Ed Zurcher Chris Sybrandy

Absent Board Members:

Tony Veiga, Tom DeVries, John Brunoff, Bill Scheenstra, Rex Chamberlain

Morning Guest Attendees: Dr. Joe Harrison, WSU Extension; Jim Heeringa, Producer; Kima Simonson, WDPC Commissioner.

Afternoon Guest Attendees: Art Mesonides, Dairy Producer; Dr. Joe Harrison, WSU Extension; Janet Leister, WDPC General Manager; Dan DeGroot, WDPC Commissioner; Lynne Schmoe, WDPC Staff; Celeste Piette, WDPC Staff; Liz Anderson, WDPC Chair Commissioner, Kirk Robinson; WDPC Commissioner; Genny DeRuyter, WDPC Commissioner; Kima Simonson, WDPC Commissioner; Stuart Turner, Turner & Co., Inc.

WSDF Staff Attendees: Jay Gordon, Executive Director; Dan Wood, Director of Government Affairs, Wendy Richmond, Office Manager

Introductions were given around the room.

CONSENT AGENDA:

Meeting Minutes:

Chris Sybrandy asked members to review the minutes from the last meeting, and noted the motion would take place later.

Membership Report:

Chris Sybrandy asked the board members to review the membership report. No comments were noted.

Correspondence:

Chris Sybrandy asked if the Products Commission has responded to out WSDF budget changes. Jay Gordon said they have considered the changes yesterday or today.

Jay Gordon noted there has been no request from WSDA regarding the WDPC Commissioner appointee to replace Robert Smit.

Tony Freeman asked if he should attend the International Livestock Identification Association 2013 Conference in July. Wendy Richmond stated we originally recommended Kima Simonson for the panel, and she will not be in town during that time. Dan Wood volunteered for the panel. Jay Gordon stated with an \$800,000.00 State Budget to implement livestock I.D. there may be others attending with knowledge of workable systems.

Jay Gordon explained the buffer standard's letter was in response to EPA/Ecology's effort to increase buffers to 90 feet. Dr. Harrison sent Jay Gordon a 2006 study that verifies increasing buffers is not necessary.

Chris Sybrandy asked the board to review the minutes one last time and Tony Freeman asked what the research committee responsibilities are noted in the minutes. Jay Gordon said that Dan Wood has a packet for each board member to do a quick review of the pre-proposals with a simple chart for feedback. The board recommendations are required to be back in by July 19. The committee will present recommendations or letter of recommendations to the Products Commission.

Dan Wood joined the meeting and was asked if WDPC Commissioners discussed a \$10,000 grant request for the Yakima Air Quality proposal. Dan noted they had not discussed it yet.

Financial Reports:

Wendy Richmond gave an overview of the Federation financial statements and she said the end of May shows a slight profit for the year. Walt Abplanalp asked why we are showing over 150% in Account 6083 and Wendy explained the commercial/liability insurance came in higher than anticipated for 2013, and the addition of a new vehicle, which was not included in the original 2013 budget, also increased our premium. She also noted that the insurance has been paid in full and not prorated throughout the year. Chris Sybrandy asked why Account 6107 is already at 100% and Wendy replied all IRA contributions are made on the 15th of February.

ACTION: CHRIS SYBRANDY ASKED FOR A VOICE VOTE TO APPROVE THE CONSENT AGENDA. THE CONSENT AGENDA WAS APPROVED BY VOICE VOTE.

WSU Report:

Dr. Joe Harrison reported the Research Position opening in Pullman is 70% Extension and 30% Research funded and they will begin advertising the position looking for someone with experience.

Dr. Harrison also said the Dean of the College of Agricultural, Human & Natural Resource Sciences, Dr. Bernardo, has moved up to Provost and Dr. Ron Middlehamer has moved into the Dean Position. He noted Jay and Dan have the opportunity to meet Ron next week at a dinner. Joe announced there is a Field Day at Steve Vander Haaks farm on July 10th and that the shallow groundwater nitrate study is on-going.

Dr. Harrison gave an overview of his effort on nitrate studies in Whatcom County and discussion ensued on the reporting process in that area with DOE and EPA. He said he is working with the Conservation Commission because of issues with a previous study. He noted his challenge to educate other entities that best practices are already in place. Walt Abplanalp asked if the final study will show lower or higher nitrate levels and Dr. Harrison said the data looks good, but that

the predictions may be an issue. Chris Sybrandy asked after all the time and energy working with dairy farms on nitrate issues, do we know the effect of the berry farming in the County. Dr. Harrison said with the formation of a GWMA in Whatcom County, all of agriculture will be included.

Field Staff Reports:

There were no field staff reports submitted for the June board meeting.

Legislative Report:

Dan Wood said yesterday the Supreme Court offered a favorable rule for property rights and the relations between land owners and permitted action.

Dan noted and passed around the final version of the Economic Impact Study of the dairy industry. He said the 5.2 billion dollar impact is significant and will be repeated continually to policy makers.

Dan Wood also noted he has heard the State Budget will be completed by Saturday, June 29th.

Research Report:

Dan Wood handed out research pre-proposal packets to the Board Members. He noted the score sheet with three columns with simple responses from the Board and would appreciate their feedback by July 19.

Dan stated that the WDPC Commissioners requested three pre-proposals be streamlined for immediate consideration:

1. (17) Irrigation/Nutrient Monitoring in Lower Yakima
2. (21) Split Well Sampling for Nitrates in Yakima Groundwater
3. (28) Health Assessment of Dairy Families & Workers

Kima Simonson stated she is checking for duplication of research projects with the \$9 million grant at the Innovation Center. She also wanted the Board Members to be sure that WDPC is not allowed to provide equipment for research grants.

The meeting adjourned for lunch at 12:00 pm

The meeting reconvened at 1:40 pm.

WDPC Report:

Janet Leister said WDPC gave out WIAA Smart Choices Scholarships to two people this year. She noted this is the first time this scholarship was offered and they had 350 applicants.

Janet noted Jeff Steele did a promotion with Jackson's Convenience Stores and they approached WDPC requesting help to increase sales of fluid milk. After the promotion, Jackson's milk sales increased over 15% and a part of the proceeds went to school programs.

Janet said along with June "Dairy Month activities," WDPC worked with Fred Meyer and many other entities to promote a Northwest Food Drive between Washington State and Oregon. She

noted this is a first in the Nation food drive between States with scan cards issued at the stores or donations made via the internet. She stressed donations can still be made and at this time Washington is behind Oregon in their attempt to raise \$100,000 or 100,000 lbs of food.

In addition, Janet said the milk industry continues to work with/to:

Dominoes' Pizza in test cases of crust types and take out versus dining in. Dominoes' is now serving true milk and is selling four times more milk than in the past.

BiMart on a merchandising program building product category with a strong breakfast message.

Promote dairy to a host of younger dieticians through the Farm Tour earlier this year.

General Mills in local schools with an emphasis in King County

Fuel Up to Play 60 with a recent assembly in Zillah and a hope to bring the Seahawks to the annual meeting

Lynne Schmoie stated to set aside November 18th and 19th for CEO training for in front of camera/radio interview processes, both group and individual.

Janet said the Industry Annual Meeting theme is "Shaping our Future" and said she appreciated Dan Wood's attendance at the Products Commission meetings.

Chris Sybrandy asked if a notice for Robert Smit's Commission position went out. He noted no one on the WSDF Board received a letter. Liz Anderson responded that a letter did go out in April and a second letter is ready to go out. She said they would appreciate recommendations.

WSDA Livestock Nutrient Management Program:

Virginia (Ginny) Prest handed out a sheet of compliance issues the Dept. has documented. She noted there is a small number of people who are not following through with their program and said one farmer's lagoon has overflowed twice, where there was manure over the road way, etc. Virginia (Ginney) stated neighbors are complaining to local and national agencies and asked the dairy industry consider forming a committee to consider self-regulating their livestock nutrient management program (LNMP). She asked that this committee formulate ideas to address compliance actions. Further discussion ensued regarding farms in Yakima County and their lack of professionalism. Ginny was asked how many situations she come across per year and she noted she would need to go back and verify but thought possibly less than a dozen.

Ed Zurcher asked about the idea of having a producer board review process when compliance issues arise. Ginny stated that a type of new compliance rules would need to be in place before a review board could be established. Further discussion continued.

Ted Maxwell noted that WSDA will be meeting soon with EPA, NRCS and Dept. of Ecology regarding the Livestock Nutrient Management Program. He noted they are critical of WSDA's program and will make suggestions to improve lagoons, and groundwater monitoring.

Stuart Turner introduced himself and noted the blatant lack proper LNMP procedures, disregard of neighbors comfort, and the safety of roadways of certain farmers in the Yakima Valley. He stressed the need to take care of this matter internally and quickly as we already have on-going environmental lawsuits. Art Mesonides stated his neighbor is composting cattle just 80 feet from his home and Ginny Prest said this would fall under the Dept. of Health guidelines.

Genny DeRuyter stated we are spending Dairy Trust Initiative funds and one bad story in the news

offsets 20 "good" messages. Further discussion ensued and numerous solutions were suggested to solve the issue of a small number of dairy farmers out of compliance with their program.

GWMA Report:

Jay Gordon stated the Yakima GWMA has been frustrating for Dan DeGroot, Stu Turner and Jason Sheehan and noted the GWMA process is slow.

Jay said the Judge decided the CARE litigation will move forward to trial on a somewhat limited basis for the Yakima dairy farms. He noted between Darigold, WALF and IDEAL fund raising is up over \$200,000 and said donations are coming in to WALF. He estimated \$1,000,000 will be required to defend the case on what may be an 18 month process. Dan Wood stated if/when the trial goes to appeal the Pacific Legal Foundation may step in to take the case and will charge only \$3,000. He noted they are watching the case closely. Dan DeGroot asked what the strategy is to raise funds and Dan Wood replied we are in contact with national organizations, setting up meetings with Darigold with the hope that WALF and IDEAL will cover the costs.

Genny DeRuyter stated that no one assisted their family in a previous lawsuit and Dan Wood said his feeling was the industry should have stepped in to help since it was a national issue. Further discussion took place.

Yakima Regional Clean Air Authority (YRCAA) Update:

Jay Gordon reported the local industry supported mandatory continuation of the original voluntary program. After this action, the board of the YRCAA moved to consider banning application of manure in any form during burn bans and inversions. He said looking back, 2012 would have affected approximately 60 days of no manure applications, and he voiced concern the petition does not limit this banning to just winter months. Jay said the board hired an attorney out of the Tri Cities area and were told they have the right to require these mandates and decided to move forward with the policy. Jay Gordon noted the agency staff is against doing this, but they are pressured by the board. Genny DeRuyter said this move can potentially affect seven months out of the year and said Gary Pruitt, Director of the YRCAA, recommended the Board turn down the petition.

Jay Gordon stated current state laws say you are exempt from the Clean Air Act as long as there is not a non-attainment incident. Best Management Practices are still applicable as long as dairies are not a public health threat. Jay noted if the YRCAA moves forward to rule making, it is a six to eight month process / CR101 requires a waiting period of 30 days. Jay said he is working to bring Nicole Embertson alongside to provide a science review to document there is no public health effects of manure. After a short term study is released, the Federation will contact an attorney for further consultation.

Dan Degroot stated the YRCAA is looking to have air monitors throughout the valley. Genny DeRuyter said the one YRCAA board member supportive of the dairy industry has moved to the chair position and we have lost this positive influence in the valley.

Immigration/Farm Bill Update:

Dan DeGroot announced the U.S. Senate passed the Immigration Bill today. He noted the Farm bill has not been successful in the U.S. House.

Green Tag Update:

Dan Wood said the Green Tag Rules take effect on July 28th and noted a mailing from the Federation will be going out soon to all dairy producers.

Associate Membership Updates:

A WSDF Associate Membership list was passed out and Dan Wood stated per the board request staff will be working to increase membership. After receiving current vendor information from WSDF board members, staff will compile another mailing to be distributed to potential members. An initial mailing went out the first of the year. Tony Freeman noted his vendors are very interested in the CARE litigation in the Yakima Valley and are willing to help WALF's fund raising effort.

Sustainability Council Update:

Kima Simonson began by passing around guiding initiatives of the Innovation Center's Sustainability Council and noted Dan De Groot was one of the 2012 sustainability winners. She said the 2012 winners came from different backgrounds and three of them were new dairy farmers. The programs created since the inception of this program are the Farm Smart Program, the Plant Smart Program and the Fleet Smart Program, all working to increase sustainability in the dairy industry. She noted the Life Cycle Program just completed and published enters into Memorandum of Understandings and we will eventually have science to refute industry misconceptions.

Kima also noted a new Manure and Commercial Fertilizer Grant just came out that will provide much needed science research for our manure application programs.

Dan DeGroot noted he sat in some of the meetings and that he was impressed with the people working on the Council. Kim noted the dairy industry is well ahead of all other agricultural industries providing science to back up sustainability practices.

Kima stated the next phase of talks will be to brain storm sustainability processes for dairies under 500 cows, since digesters are not a viable option for smaller dairies. She noted that focus is also on future food production as populations increase and agricultural land uses decrease.

Kim Simonson asked for board approval with the direction of the Sustainability Council. Dan Wood noted the sustainability reports and the economic vitality scoreboard is a very good message to our policy makers

ACTION: TONY FREEMAN MOTIONED TO SUPPORT THE INNOVATION CENTER'S SUSTAINABILITY COUNCIL EFFORT. STEVE VANDER HAAK SECONDED. MOTIONED CARRIED BY VOICE VOTE.

GMO Initiatives:

Dan Wood said the initiative currently exempts the dairy industry now. Jay Gordon said this initiative has an interesting twist that allows plaintiffs to bring a case for damages, but the defendants do not have the right for damage, if the case is frivolous.

Dan Wood said every agricultural association opposes this initiative. Further discussion took

place and Chris Sybrandy asked if we could fund a research project to use as a simple non-partisan information. Kirk Robinson noted the Bill and Melinda Gates Foundation would be a good resource. Further discussion ensued and Chris Sybrandy requested an individual vote from the Board on this issue.

ACTION: ED ZURCHER MOTIONED TO OPPOSE THE GMO INITIATIVE. JON DE JONG SECONDED. THE MOTION CARRIED BY VOICE VOTE WITH ONE ABSTENTION.

Annual Meeting Update:

Dan Wood gave a brief update of the annual meeting progress and Lynne Schmoe stated WDPC is remixing the "Coffee Café" to the "Udder Café". Dan Wood noted one feature of the annual meeting will be showing the recovery of the dairy farms from the Chehalis River flood. This will include the possibility of showing full circle the process over the last six years. Also included in this year's program is robotics in the dairy industry.

Ed Zurcher asked for more transportation information such as farm exemptions, driving distances, requirements, etc. and Dan Wood said Scott Dilley of the Farm Bureau would be a good speaker resource for this annual meeting. Kima Simonson asked if the Federation would be able to share this information sooner than November.

WSDF Fall Board Meeting:

Jay Gordon proposed a joint fall meeting with the Oregon Dairy Farmer's Association. He also stated WSDPTA members are discussing a meeting in Portland to coincide with this joint meeting for the purpose of a social get together/thank you to Jim Krahn who is retiring. There was no opposition from the board.

FARM BILL:

Further discussion took place on the FARM Bill and opinions were shared by Board Members.

At this time Chris Sybrandy reminded the Board Members that Wendy Richmond is now on part-time status/short time status and Darcel Nootenboom will begin employment on July 8th.

Jon De Jong said that Debbie Vander Veen of Whatcom County requests a \$1,000 donation for the Dairy Women's move and preparation at the fair.

The meeting adjourned to executive session at 4:05 pm.

Respectfully submitted by
Wendy Richmond, Recording Secretary