

# MILKLINE

NEWSLETTER



**HIGHLIGHTS:** *Annual Meeting Speaker Line-Up* p 2      *TPP Interesting Road Ahead* p 3      *2016 Bylaws To Be Considered* p 4  
*FFDC Scholarships Available* p 2      *Section 179 Made Permanent* p 3      *Elected Delegates & Alternates* p 5

## Perspectives from 2015

I know the year lasted 365 days, but it just felt like yesterday that we began 2015 and here we are in 2016 already.

Before it's all of a sudden 2017, I'd like to revel in a few accomplishments I've witnessed in 2015... from behind my desk, the camera lens, and steering wheel.

I'll be honest, there's not a lot of excitement from the view of a desk. However, I do get a chance to see a lot of great things come together from this viewpoint, including the completely new look of the cooperative's website. With a fresh look, it also has some new features, including an updated dairy markets page, a news room, and classified ads in addition to showcasing all the membership benefits and programs. I highly encourage you to visit [www.FarmFirstDairyCooperative.com](http://www.FarmFirstDairyCooperative.com) to see the many features and program opportunities available there. It is also mobile-friendly, so you can even bring it up on your tablet or smartphone.

From the camera lens vantage point, I have enjoyed the countless opportunities to see kids on farms amazed at what they see and our dairy members beaming with pride to share their stories. I have also spent time with

our Young Cooperators and become inspired every time I am with them. Their excitement of the industry, the sharing of challenges and the realizations they have on how they can make a difference in the industry and with consumers makes the new Young Cooperative program offered at FarmFirst, something to look forward to.

And from the steering wheel, this isn't always from the car, even though there are many memorable moments driving to membership meetings to share and collaborate with our members, this steering wheel is that of a tractor. Sitting behind the steering wheel of a tractor (you can bet that this perspective beats that desk nearly any day), gives you a chance to reflect and take in a lot of what is in front of you. There are great things happening, especially for the cooperative, and while the days can be long, what lies ahead; that of the FarmFirst horizon is exciting. New communications, new programs, continued advocacy and education for our members will make the ride behind this steering wheel exciting. This past year, the cooperative experienced a healthy profit, and the board has made a commitment to enhance member programs, especially the Young Cooperator program. They are looking to the future, just as we do when looking from the tractor seat out on the horizon.

What the year 2016 has in store remains uncertain, but we know that we left behind, a great foundation to continue

building on for our members. We hope we can share more of this excitement with each of you during 2016 to make it the best for our members. 🐄

*Article by Julie Martin,  
FarmFirst Dairy Cooperative*

## Official Notice: FarmFirst Dairy Cooperative 4th Annual Member Meeting

Notice is hereby given, by the President and Secretary of FarmFirst Dairy Cooperative, a regional cooperative with headquarters in Madison, Wisconsin (the "Cooperative"), pursuant to the Cooperative's Articles of Incorporation and Bylaws and proper actions of the Board of Directors of the Cooperative (the "Board"), that the regular Annual Delegate Member Meeting of the Cooperative will convene at 8:00 a.m., Saturday, February 13, 2016 at the Stoney Creek Hotel & Conference Center, 3060 South Kinney Coulee Road, Onalaska, Wis. for and in consideration of action upon any and all matters which may lawfully come before said meeting, including but not restricted to:

1. Report on the amendment by the Board to the Cooperative's Bylaws, Article VI, "Districting and Resolutions Committee", Section 5 "Meetings".

*Continued on Page 4...*

Dedicated to serving and representing you, our family farm members, FarmFirst Dairy Cooperative represents farms in Wisconsin, Minnesota, South Dakota, Michigan, Iowa, Illinois and Indiana through policy bargaining, dairy marketing services, laboratory testing opportunities and industry promotion.



CONTACT INFORMATION

BOARD OF DIRECTORS

President: Peter Kleiman  
Wilson, Mich. 906-497-5350

Vice President: Richard Meyer  
Unity, Wis. 715-223-2058

Secretary: Kathy Bauer  
Faribault, Minn. 507-332-2870

Treasurer: Randy Geiger  
Reedsville, Wis. 920-772-4184

Member-at-Large: Mark Ryan  
Fond du Lac, Wis. 920-923-3528

David Allen - Reedsburg, Wis. 608-524-4786

Wayne Hansen - Van Dyne, Wis. 920-922-0203

Kelly King - Edgar, Wis. 715-581-3850

Lee Klumpers - Waupun, Wis. 920-229-3489

John Rettler - Neosho, Wis. 920-625-3237

Joe Schmitt - Holy Cross, Iowa 563-552-1135

Dave Schmitz - Fond du Lac, Wis. 920-921-4212

Brian Wozniak - Stanley, Wis. 715-703-0361

Ken Wunderlin - Livingston, Wis. 608-943-6496

Wishing you  
many blessings  
to come your  
way during 2016.

MAILING ADDRESS

P.O. Box 14380  
Madison, WI 53708-0380

MADISON OFFICE

4001 Nakoosa Trail, Suite 100  
Madison, WI 53714  
(608) 244-3373

Annual Meeting Workshops Set for Feb. 12

This year's annual meeting theme is 'We Are FarmFirst,' celebrating the successful beginnings of the cooperative since its merger while showcasing the dynamic organization and people the cooperative represents. All members are welcome and encouraged to participate in this year's education workshops, which are taking place on Friday afternoon, February 12 in Onalaska, Wis. at the Stoney Creek Hotel & Convention Center.

This year's Producer Discovery workshops will feature:

**1:00 p.m. Don't Bet the Farm: 10 Common Perils that Could Adversely Affect your Farm and its Transition**  
Michelle Birschbach, Attorney & Partner  
Steimle Birschbach, LLC

**2:30 p.m. Dairy Policy, Pricing and a Bit of Economics**  
John Newton, Senior Director of Economic Research  
National Milk Producers Federation

**Be sure to take advantage of this great educational opportunity!** To ensure seating space, please contact us at 608-244-4250 to reserve your spot.

Director and D&R Election Results

During our fall member elections, several districts were open for a seat as a Director on the Board and as a member of the Districting & Resolutions Committee. Below are those individuals that were elected in their districts:

**Board of Directors:** District 1 - Peter Kleiman, District 3 - John Rettler, District 5 - Ken Wunderlin.

**D&R Committee:** District 1 - Tammy Piotraschke, District 3 - Richard Fink, District 5 - Peter Mallek, District 7 - Richard Rhode, District 9 - Allen Blommel.

View the 2016 Delegate listing on page 5.

Scholarships Available - Due in Early March



**Reminder! FarmFirst Dairy Cooperative Scholarship applications are still available and due March 1st!** Applicants must be a son/daughter of a cooperative member. Applications are available online at [www.FarmFirstDairyCooperative.com](http://www.FarmFirstDairyCooperative.com) or by calling 608-244-4250.

**The Insurance Advisory Council of The Insurance Center is also making their agribusiness scholarship available once again.** To be eligible, students must currently be attending a post-secondary college, university or technical school program; high school seniors are not eligible to apply. Applicants must also be continuing their education in an agriculture related field. Applications are available from the FarmFirst Dairy Cooperative office by calling 608-244-3373 or emailing [info@farmfirstcoop.com](mailto:info@farmfirstcoop.com). Applications must be completed and returned to the Insurance Advisory Council no later than **March 15.**

visit us on  
[FarmFirstDairyCooperative.com](http://FarmFirstDairyCooperative.com)

Like us on Facebook at  
[www.facebook.com/FarmFirstDairyCooperative](http://www.facebook.com/FarmFirstDairyCooperative)

## Trans Pacific Partnership - Interesting Road Ahead

We noted last month that while organizations pour over the 2,000+ pages of text that were released on the agreement, one thing is for certain: everyone has an opinion –and it varies. This agreement began over seven years ago and is important because it is the largest regional free trade agreement that has been struck in the past two decades. It involves countries in the Asia-Pacific region, an area that will be home to an estimated 3.2 billion middle-class consumers by 2030 and has tremendous growth potential. The TPP would lower trade barriers




with Japan, Vietnam, Australia and eight other countries on the Pacific Rim. The USDA's Economic Research Service estimates that TPP will result in a 6.6 percent increase in agricultural trade by 2025.

This increase will account for

an additional \$8.5 billion in the agricultural marketplace, assuming the complete elimination of existing agricultural tariffs by 2025. Agricultural products traded between TPP members are currently subject to higher tariffs on average than manufactured products, although bilateral protection varies considerably by country. For example, average agricultural tariffs are 3.6 percent at the U.S. border compared to 23 percent at the Japanese border. In the case of Japan, 50 percent of U.S. agricultural exports will face zero tariffs once TPP is implemented and with Japan being the fifth largest agricultural export market, accounting for over \$13 billion worth of U.S. exports, reduction in their agricultural tariffs has been a long-held objective of U.S. trade policy.

Canadians and New Zealanders, exporting 0% and 95%, respectively, both found the TPP agreement a tough pill to swallow. Canada added 3.25% access to dairy markets, on top of the 10% currently available. In New Zealand, they were upset in an opposite direction, seeking fewer trade barriers and a more liberal agreement. They feel the U.S. (a country five times the size of New Zealand) should have allowed more open market access. While the U.S. was looking for fewer tariffs across the board, our focus was on our farmers and our industry. Allowing a situation where we would become a dumping ground for the excess production in New Zealand wasn't going to happen. The details are still emerging, but early signs show some benefits from TPP for the U.S., with a growing world population driving the benefits. Populations are expected to grow rapidly in several countries affected by the agreement, possibly by as many as 25 million people in the next five years. To judge the agreement on today's trade and population numbers would certainly net different results than looking at what the 10-20 year outlook holds, where greater benefits are realized.


The deal requires that all participating countries need to sign on by October 2017. While the deal might be contentious for the U.S., another 11 countries have to do the same. 

## Omnibus Bill Provides Clarity to Ag, Eliminates Retaliatory Tariffs

By now, everyone is aware that the recent Omnibus bill approved by Congress at year end allowed the government to stay open until the fall of 2016 and in large part added riders to the bill to address a few ongoing concerns for agriculture. FarmFirst has been working to find permanency with the Section 179 tax credit when it was extended last year in January for the previous year. While it took until the waning days of December to occur, we now have clarity. The Section 179 tax credit was permanently extended and allows up to \$500,000 for farms and other small businesses to write off capital purchases immediately, instead of over time. The previous level this tax credit had reverted to was \$25,000 which provided little to no value for dairy producers. Also, a five-year extension of the 50% bonus depreciation, which allows companies to lower the cost of capital for investment in qualified assets while increasing the cash flow for their businesses, was included.

Another significant decision made by Congress was to repeal the Country-of-Origin Labeling (COOL) for beef and pork, the existence of which threatened to generate new tariffs on U.S. dairy products exported to Canada and Mexico. Earlier this year, the World Trade Organization (WTO) ruled that COOL requirements were against international trade agreements, and allowed Canada and Mexico to set retaliatory tariffs worth over a billion dollars, which would have come into force after one further approval step from the WTO. While this decision appears to have helped the dairy industry, it does create a big concern if dairy COOL were to be considered in the future. 

## More Uncertainty in the 2016 New Year

While the Omnibus bill added a few things for agriculture, there were many more left untouched and this should make 2016 an interesting year. No federal preemption of mandatory state GMO labeling laws were addressed leaving the door open for state-approved GMO labeling bills to take effect in the future. This was unfortunate, because it now creates an uphill battle if states start to enact legislation. Where will dairy land in all of this? The Child Nutrition Act renewal which expired in late September was not addressed, but we have been informed it will be the first item written up by the Agriculture committee. As we have noted almost monthly, this is a real opportunity to get flavored milk back in schools at a level higher than skim. Lastly, despite having amendments approved in both the Senate and the House to halt the Waters of the U.S. (WOTUS) rule initiated by EPA and Army Corp of Engineers, it was not included in the year end legislation, leaving the Courts as the only mechanism to address this ill-advised rule from taking effect. Unless Congress can start the train rolling again, it will prove to be a difficult challenge considering the number of urban legislators who don't understand the impacts. 

# Official Notice: FarmFirst Dairy Cooperative 4th Annual Member Meeting

*Continued from Page 1...*

The amendment would change the meeting time of the D&R Committee to at least 30 days before the annual meeting rather than 45 days and the review meeting for Districting which is to be held in 2016 by the committee between the dates of January 1st and May 31st, rather than February 28th to May 31st. ***These amendment changes will provide more flexibility and greater efficiency in the D&R committee work.***

2. Report on the amendment by the Board to the Cooperative's Bylaws, Article VI, "Districting and Resolutions Committee", Section 9 "Powers and Duties". The amendment changes any redistricting actions set forth by the D&R committee to take effect 45 days after the approval of the Delegates at a Member Delegate Meeting versus immediately upon action by the delegates. ***This amendment change would allow for more time to communicate the approved changes made and ensure membership documents can be updated in advance of any approved change if necessary.***

3. Report on the amendment by the Board to the Cooperative's Bylaws, Article III "Districts, Member District Meetings and Delegate Member Meetings", Section 8 "Voting". This amendment would add the following to the section: For convenience and practical purposes, the District chairperson, the District recording secretary, the Secretary and/or the ballot committee, may delegate their duties under this Section 8 to count ballots and/or certify the vote on each position being filled by election to one or more paid staff person(s) of the Cooperative. In such an instance, once counted and the vote certified, ballots shall be resealed together and held for a period of one (1) year and shall be subject to inspection by such District chairperson, District recording secretary, the ballot committee and/or the Secretary during the Cooperative's normal business hours. ***This amendment would provide flexibility and efficiency to the process since ballots have been mailed to all members and collected in a central location. This would be at the discretion of the individuals noted in the bylaw.***

4. Report on the amendment by the Board to the Cooperative's Bylaws, Article V

"Directors' and Delegates' Meeting, Section 6 "Directors Meetings other than in person". This amendment would provide clarification to the section with the following language added:

For purposes of clarification,

it is anticipated that this Section 6 may include, without limitation, such means of remote communication such as video/web conferencing, telephone conferencing or any other method meeting the requirements provided herein. ***This amendment provides greater clarity for meetings that could be held other than in person. For efficiency and cost saving measures, this is an option that is available to the Board of Directors.***

5. Report on the amendment by the Board to the Cooperative's Bylaws, Article VII "General Manager and Employees", Section 6 "Deposit of Funds". This amendment would add language to the section allowing the Board of Directors via a specifically adopted resolution to address check signatures or deposit orders. The language is noted in bold and underline which is added to the paragraph: All funds of the Cooperative shall then be placed in depositories as the Board of Directors shall designate and be withdrawn only upon check or order of the persons duly authorized by resolution of the Board of Directors with two persons signing each check or other order unless otherwise determined by the Board of Directors via specifically adopted resolution. ***This amendment provides the Board of Directors directive in making necessary changes when employees or authorized personnel changes are made. It gives the Board of Directors authority in making the appropriate changes necessary for regulatory or banking requirements.***

6. Proposed amendment to the Cooperative's Bylaws, Article III "Districts, Member District Meetings and Delegate Member Meetings", Section 6 "Elections", Paragraph b, to change the delegate representation to be one delegate elected for every fifty (50) members rather than seventy five (75) members. ***This proposed amendment would allow greater representation by the Cooperative membership, increasing the delegate count by 33%.***

7. Proposed amendment to the Cooperative's Bylaws, Article XIV - this would be a new section titled "Young Cooperators". The following would be added in the proposed amendment:

**SECTION 1. GENERAL DESCRIPTION.** Any individual aged 18 - 40 who is currently actively employed by or materially involved with a Cooperative Member is eligible to participate in the Cooperative's Young Cooperators program ("YC"). Admission to YC membership shall be subject to approval of the Board of Directors or its designee. YC membership is a personal right, not a property right, and is not transferable by the YC.

## **SECTION 2. INITIAL STRUCTURE; YC STEERING COMMITTEE.**

Each District will endeavor to coordinate local activities for their District's YC including events such as plant tours, farm tours, educational and mentoring opportunities and other local events.

Each District will select at least 1 YC from their District to represent their District on the YC Steering Committee. YC Steering Committee members shall serve a 2 year term.

At a minimum, the YC Steering Committee shall convene for a planning session prior to the Annual Delegate Meeting and shall meet at the Delegate Annual Meeting.

## **SECTION 3. NONVOTING EX-OFFICIO BOARD MEMBER.**

The YC Steering Committee shall, by majority vote, select 1 YC from the YC Steering Committee to serve as a nonvoting, ex-officio member of the Board of Directors. Such YC representative shall not have a vote and shall not be counted for purposes of determining a quorum all as set forth in Article V. ***This proposed amendment addresses the new program offered by the Cooperative and provides an avenue for the Young Cooperators to become involved in leadership opportunities.***

8. Proposed amendment to the Cooperative's Bylaws, Article XIV "Post-Merger Provisions", Section 1 "Membership", Section 2 "Districts" and Section 3 "Board of Directors, Districts and Redistricting". ***This proposed amendment would remove the "Post-Merger Provisions" from the bylaws as they were set up to address the transition in each of these sections during the three (3) year transitional period plan which ended on December 31, 2015.***

Said meeting will continue until the disposition of all proper business. Dated this 15th day of January, 2016, by: Peter Kleiman, President. 🇺🇸



# Delegates & Alternates Selected for 4th Annual Meeting

All members had an opportunity to nominate, and then vote for fellow members to serve as delegates or alternates to the upcoming 4th Annual Meeting of FarmFirst Dairy Cooperative being held on February 12-13. These individuals will participate in several educational sessions, review resolutions and any proposed bylaws, and provide feedback and direction during the meeting. For a full listing of district areas, please visit [www.FarmFirstDairyCooperative.com](http://www.FarmFirstDairyCooperative.com) and click on Member Meetings under the Member Services tab. The following members were elected in their respective districts:

**District 1:** Charles Benson, Chuck Bergdahl, Bob Hanchek, Kevin Hoewisch, Scott Mellgren, Terry Perttula, Tammy Piotraschke, Gary Rasmussen Jr., James Revall

**District 2:** Russell Braun, T.J. Haelfrisch, Eugene Hansen, Andy Meyer, Jonathon Otto, Brent Sinkula, Jim Smidel, Dan Vandertie

**District 3:** Janet Clark, Richard Fink, Ray Halbur, Tim Kelley, Michael Leahy, Peter Martin, Joel Narges, Leroy Schmitz, Earl Van Ruiswijk


**District 4:** Wayne Gajewski, David Hannemann, James Juedes, Dave Oelke, Steve Roets, Julie Stowe, Anthony Totzke, Eric Vogel, Randel Wokatsch

**District 5:** Will Beitlich, Lawrence Durst, Liz Hasburgh, Jackie Hoffman, Stephanie Hughes, Sharon Laubscher, Donald Ley, Peter Mallek, Dean Putz, Martin Schneider

**District 6:** John Busser, Bob Dietzel, Brian Dinderman, Doug Droessler, Jerry Hammerand, Doug Hoefler, Mike Kempfer, Jim Kintzle, Mike Marlow

**District 7:** Donald Bangart, Dean Hoesly, Mitch Malm, Allen Mayer, Randy Meyer, Michelle Popp, Richard Rohde, Dean Schmelzer, Tom Shafto

**District 8:** Larry Buttke, Frank Czahor, Gary Kohn, Daniel Kowalczyk, Paul Lash, Brian Lueck, Donald Schesel, Joshua Weltzin

**District 9:** Allen Blommel, Anne Borgschatz, Philip Maher, Joe Ritter, Richard Rosen, Kevin Schweer, Steve Viland, Keith Welgraven 

## MPP Tracker

Month	All-Milk Price	MPP Feed Cost	MPP Margin	Two-Month Average
July 2015	\$16.60	\$9.1534	\$7.4466	\$7.6951
Aug 2015	\$16.70	\$8.7564	\$7.9436	
Sept 2015	\$17.50	\$8.5509	\$8.9490	\$9.0820
Oct 2015	\$17.70	\$8.4849	\$9.2150	
Nov 2015	\$18.20	\$8.1852	\$10.0147	N/A

Numbers referenced are USDA's Farm Service Agency national average prices and calculations used to determine indemnity payments under the Margin Protection Program for Dairy.

## New Proposed Resolution Considerations for 2016

Cooperative members were encouraged to submit any resolutions they would like considered and brought before the delegates during the annual meeting. FarmFirst Dairy Cooperative values your input as a member. **By sharing these resolutions, we encourage you to provide feedback in advance of the annual meeting as our delegates will be making considerations on these proposals.**

**Federal Milk Order Reform** We support the review of Class III pricing to reflect the value of high volume cheeses which are currently not reflected in the pricing formula.

**Other Federal Dairy Policy Issues** We support continuing to improve the Margin Protection Program. An example would be adding such things as minerals, vitamins, etc. as they relate to feed cost. Also, reevaluating both the method of collection and distribution of payments to producers. We support continuing to review proposals and tools which could enhance producer margin returns.


**International Trade Policy, Harmonized World Standards** We oppose any trade agreement which results in unbalanced, harmful inequities within our dairy industry.

**Consumer Awareness** We urge a standard of identity for cheeses such as mozzarella. We urge only cheese manufactured in the state be allowed to be labeled as such, i.e. Wisconsin cheese.

**Dairy Product Utilization** We support the School Milk Nutrition Act of 2015 which would amend the National School Lunch Program to include low fat flavored milk, lactose-free milk and conduct pilot programs in an effort to increase fluid milk consumption in schools.

**Dairy Inspection Policy** Water quality should be the determining factor for allowing grade A license designation (B to A) instead of current existing well location, provided more frequent water testing occurs.

**Tax Policy** We recognize the need to increase funds to provide adequate roads and bridges in rural America. We support increasing each of the following: fuel taxes, vehicle registration fees, farm truck registration fees, environmental fees and new vehicle taxes.

**Environmental Quality** We support farmer-led water quality organizations & initiatives. 

# NOVEMBER 2015

Order Name and Number	UPPER MIDWEST	CENTRAL	MIDEAST
	Order 30	Order 32	Order 33
Producer Milk (lbs.)	2,847,816,245	1,247,208,730	1,492,371,840
Producer Price Differential @ base zone	\$ 0.45	\$ 1.30	\$ 1.85
Statistical Uniform Price/cwt @ 3.5% BF*	\$ 15.75	\$ 16.60	\$ 17.15
Class I Price/cwt	\$ 18.28	\$ 18.48	\$ 18.48
Class II Price/cwt	\$ 18.26	\$ 18.26	\$ 18.26
Class III Price/cwt	\$ 15.30	\$ 15.30	\$ 15.30
Class IV Price/cwt	\$ 16.89	\$ 16.89	\$ 16.89
<b>Component Prices &amp; Test Avg. % aves</b>			
Butterfat/lb.	\$ 3.1830	3.91%	3.89%
Protein/lb.	\$ 1.3205	3.18%	3.26%
Other Solids/lb.	\$ 0.03610	5.74%	5.76%
SCC Adjust Rate/1000	\$ 0.00083		5.73%
<b>Producer Milk Classified %</b>			
Class I	10.30%	32.42%	36.10%
Class II	1.70%	8.15%	11.80%
Class III	87.10%	52.60%	34.40%
Class IV	0.90%	6.83%	17.70%
	100.00%	100.00%	100.00%



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*Happy New Year!*

## Welcome New Members

We would like to welcome these individuals and farms that have joined FarmFirst Dairy Cooperative recently.

We look forward to your participation and involvement in the programs and services of your cooperative where we put members first.

*Dwight Hodorff*  
*Robert Zimmerman*  
*Brad Kemp*  
*Evan Jones*  
*Richard Kidman*  
*Richard De Ruyter*  
*Kyle Moser*  
*Adam Lauck*  
*Hans Kuhn*

*Paul & Rebekah Zimmerman*  
*George Voitech*  
*Scott Ruetten*  
*Matthew Herrick*  
*Jerome Skrzypchak*  
*Robert & Laura Binder*  
*Dale & Tammy Jacobs*  
*Jeffrey Haumschild*

**Submit Your Classified Ads - Now with a new online format!**  
Visit our website at [www.farmfirstdairycooperative.com](http://www.farmfirstdairycooperative.com) and click 'Classified Ads.'

