

MILKLINE

NEWSLETTER



HIGHLIGHTS: *Wunderlin, Geiger Retire* p 2
New Trade Agreement Reached p 3

FDA Addresses Food Labeling p 3
Farm Bill: 2014 Bill Expires p 4

Fall District Member Meetings p 5
Leadership Opportunities 2019 p 5

An Invitation to You



The strength of any cooperative has several identifiable characteristics; among them are a passionate, participating group of member volunteers, a visionary board of directors and a professional staff that can carry-out the established goals of the cooperative. For our cooperative to enhance its solid reputation as a leading advocate for dairy farmers, all three areas need to continue to evolve.

Every November, for FarmFirst Dairy Cooperative, means it's district meeting time in our seven-state territory. While there are many times throughout the year we meet with members, our district meetings are the one 'official' time that staff and cooperative leadership have a chance to "tell you what we've been up to" on your behalf and to listen to your ideas and concerns.

This will be my first round of district meetings and I am looking forward to hitting the road and meeting you. We have 20 meetings scheduled and right now I have 15 on my calendar. On page 5 in this issue of *MilkLine* is the list of district meetings. If you haven't done so already, I encourage you to get your reservation in and attend one of the meetings.

We have board member elections in Districts 1, 2, 3, and 5 with districts 2 and 5 being open seats. We'll also be electing District and Resolution committee members and delegates that will establish our policy priorities for the coming year. If you are seeking a leadership position - great! If not, we still need you - to vote for the members that you believe have the qualities to lead the cooperative.

It has been an extremely busy year for your cooperative and the FarmFirst staff is eager to share our accomplishments and discuss what still needs to be done. We want to hear your policy ideas and your suggestions on how to improve your cooperative.

On the legislative and regulatory front, we have been actively communicating with our legislative delegations on the Farm Bill, trade agreement, tariff mitigation, and dairy product labeling. We'll provide an update of where things stand and what we need your help with.

If all that is not enough, please come and share a meal with us and

experience "old school" social media where people come together and visit about the issues. There will be no "bullying," "clapping back" or "throwing shade" as some millennials may refer to it on various social media. At the meeting, you'll learn how we are reaching out to members, the media and consumers to get our message out to more and more people.

In February 2019, cooperative leadership and staff will conduct our annual meeting. Annual meetings, as a rule, are a time when organizations look back at what was accomplished, recognize individuals that have made a difference, and provide educational and networking opportunities for participants - all worthy activities. More importantly, we will be focusing on the future. And all that starts with you attending your district meetings.

While there are many more reasons why I am encouraging you to attend and many things we are eager to share, simply put: **Join us at a fall district member meeting near you.** We are proud to have you as a member, and are looking forward to connecting with you.

Thank you for your continued membership and support of FarmFirst Dairy Cooperative. Have a safe and successful harvest season. 🐄

*Article by Jeff Lyon,
FarmFirst Dairy Cooperative*

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.

BOARD OF DIRECTORS

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

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

Treasurer: Richard Meyer
Unity, Wis. 715-223-2058

Steve Brock - Daggett, Mich. 906-290-1917

Bob Dietzel - East Dubuque, Ill. 563-543-2368

Wayne Gajewski - Athens, Wis. 715-370-5078

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

FIELD STAFF

Bob Hodgson - Dyersville, Iowa. 608-642-2859

Betty Lund - Mondovi, Wis. 715-491-9119

Dan Schaefer - Platteville, Wis. 608-330-1741

Rick Wolfe - Aniwa, Wis. 715-581-4321

Pat Yeagle - Winslow, Ill. 815-291-4581

Dan Zeleske - Fond du Lac, Wis. 920-323-7079

MILK MARKETING FIELD STAFF

Jeff Bradley - Columbus, Wis. 608-516-3624

Deanna Malin - Clintonville, Wis. 920-901-2173

MAILING ADDRESS

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

MADISON OFFICE

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

Directors Wunderlin, Geiger Retire from Cooperative Board

Board members Ken Wunderlin of Livingston, Wis. (District 5) and Randy Geiger of Reedsville, Wis. (District 2) recently retired from their leadership role as members of FarmFirst Dairy Cooperative board of directors. Their seats will be filled upon the completion of the 2018 fall member elections.



Ken Wunderlin spoke to Mary Knigge about his thoughts on the Farm Bill, encouraging its timely passage.

Ken Wunderlin has served on the cooperative board for 11 years, beginning with his involvement with Family Dairies USA. He hopes that his vacant seat on the board will inspire other dairy farmers to take the opportunity to get involved and take on a new leadership role.

“The reason I wanted to be on the board was to try and make a difference in dairy policy and the direction that the industry was headed,” says Ken. “I believe that if you want to make a difference, you should get involved, and I did that by running for a seat on the cooperative’s board of directors. Nothing is going to change unless someone does something about it, and being a director was my way of being a voice for positive change.”



Randy Geiger, and his wife Rosalie, stand for a quick photo when Randy received the Coop Builder Award.

Randy Geiger has served on the cooperative board for many years, beginning in the early 1980’s. His motivation to serve on the board was to ensure dairy farmers were being heard, regarding local and regional issues, as well as federal issues that were impacting dairy farmers.

“My main focus at the time, and still is today, is to help producers become more profitable and more knowledgeable in their dairy operations,” says Randy. “By being involved on the cooperative board, I have become familiar with federal policies and programs, and can share what I’ve learned with others. It means a lot to be able to share valuable information to a fellow dairy producer that benefits from information I’ve shared with them.”

Randy’s passion for the cooperative’s efforts is showcased in his dedication - through connecting dairy farmers to key resources, providing valuable information and helping in any way he can. While Randy is retiring from the cooperative board, he has joined the staff as a part-time field representative. The leadership from both Ken and Randy is greatly appreciated, and their service to the board will be missed.

“I would like to thank both Ken and Randy for their dedication to serving the members of FarmFirst Dairy Cooperative and their predecessor cooperatives,” says General Manager Jeff Lyon. “It is their dedication to pursuing a better, brighter future for their fellow dairy men and women that has made all the difference. From their advocacy efforts on Capitol Hill during Farm Bill discussions, they have been instrumental in amplifying FarmFirst members’ voices.”

Interested in learning more about the responsibilities of a board member? Contact a director on the board or field staff member (listing on the left of this page), or feel free to contact Jeff Lyon or Julie Sweny at the office: 608-244-3373.

visit us on
FarmFirstDairyCooperative.com

New Trilateral Trade Agreement Reached; Now to Implement

FarmFirst Dairy Cooperative is pleased that a trade deal has been reached between the U.S., Mexico and finally Canada. The new trade agreement, known the United States-Mexico-Canada Agreement (USMCA) was reached in the late hours on September 30, included the elimination of Canada's Class 7 pricing system.

"This trilateral trade agreement continues a great trade partnership between these three countries, and it is a sign of all parties' interest in long-term progress and growth to see these trade relationships continue," said Jeff Lyon, General Manager. "We are eager to review the details of this trade agreement and to more fully evaluate the benefits to Midwest dairy producers."

"Great progress has been made with this new agreement; not only has the Class 7 pricing scheme been eliminated, but greater market access has been granted for quality U.S. dairy products. Additionally, Canada maintains their supply management system, something that they felt strongly about. And Mexico continues to receive many of the high-quality cheeses and other dairy products they have come to appreciate from the U.S. It appears that everyone walks away from this trade agreement with something they wanted, and all will benefit in the end," Lyon adds.

With the elimination of the Class 7 pricing system, a new pricing structure will take its place that will utilize the USDA Class IV nonfat dry milk price, a Canadian manufacturing allowance (which is higher than the USDA make allowance) and yield factors relative to specific products. The agreement will also cap the amount of SMP, MPC and infant formula that Canada will be able to export. Any product exported above the permitted levels will be subject to an export penalty.

What kind of impact will this have on additional U.S. dairy exports? In addition to the current exports of dairy products that the U.S. makes to Canada (\$619 million in 2017),

Canada will provide new tariff rate quotas exclusively for the United States. According to the Office of the U.S. Trade Representative, the agreement includes market access gains for American dairy products, including 50,000 metric tons of fluid milk, 12,500 metric tons of cheese, 10,500 metric tons of cream, and 4,500 metric tons of butter and cream powder, all by year six of the new agreement. Learn more about the impact of the trade agreement by visiting the website for the Office of the Trade Representative: <https://ustr.gov/>.



What about the tariffs on steel and aluminum? The USMCA does not current address the steel-aluminum tariffs or the Mexico retaliatory tariffs on U.S. cheese exports to Mexico. Those tariffs are being discussed separately with no specific timeframe currently announced.

FarmFirst Dairy Cooperative greatly appreciates the work of the Trump administration for keeping dairy a top priority during these trade discussions. Now, the three nations must remove the tariffs on agricultural exports as well as steel and aluminum. From there, the U.S., Mexico and Canada can focus on implementing this new trade agreement so that it can be a success story for future trade agreements to come.

FarmFirst Dairy Cooperative has remained actively engaged on dairy trade, especially over the past 18 months. Among the cooperative's efforts, they have also sent several letters to trade and congressional leaders, emphasizing the impact that the retaliatory tariffs have on dairy farmers and the value that quality trade relationships bring, not only to dairy farmers being able to sustain their business, but also to support rural communities and local economies. 

Industry Encouraged as FDA Addresses Dairy Food Labeling



FarmFirst Dairy Cooperative continues to be encouraged by the U.S. Food and Drug Administration (FDA) and their most recent action to receive public comments on the labeling of plant-based products with names that include

the names of dairy foods such as "milk," "cultured milk," "yogurt," and "cheese."

"We appreciate Commissioner Scott Gottlieb's commitment to the issue of addressing misleading food labels. Not only do plant-based alternatives fall short in nutritional equivalency, but they lack the

outstanding performance properties of milk when made into dairy products like cheese, butter and ice cream," says Lyon.

"At a time when consumers want transparency when it comes to their food, it makes sense to return to the basics of food definitions, especially dairy products. Enforcing the true definition of dairy and its related terms of milk, yogurt, cheese, and butter is simple and straightforward.

FarmFirst Dairy Cooperative maintains a clear and consistent message - that consumers deserve clarity in the dairy case of the grocery store. FarmFirst will continue to advocate for the FDA to enforce the current definition of dairy on food labels. 

Farm Bill: Congress Misses First Deadline, Now Focused on End-of-Year Deadline, Dairy Forward Pricing Program Expires

The 2014 Farm Bill officially expired on September 30th, without Congress taking any action to pass a short-term extension of the old bill as they work to finalize the new Farm Bill in Conference Committee. For most dairy programs, this is not a big deal until December 31, when the milk pricing reverts to permanent law established in 1949 – something that congressional leaders are unlikely to let happen.

That leaves three months between the 2014 Farm Bill lapsing and the 1949 Ag Law to kick in. While it might seem sensible to pass an extension of the 2014 Farm Bill, the top leaders currently in negotiations are resisting any efforts to pass a short-term extension of the Farm Bill for fear that will alleviate the pressure to get the new Farm Bill finalized and enacted. Behind-the-scenes deliberations on the dairy provisions of the new Farm Bill are reportedly going well. Both the House and Senate version of the new Farm Bill include significant reforms to dairy programs that are supported by FarmFirst. Dairy is not the reason that the Farm Bill negotiations are moving slowly. The big sticking points between House and Senate Farm Bill negotiators relate to SNAP work requirements, conservation policy, among others.

So when will the 2018 Farm Bill get passed? “Ideally, still sometime in 2018. A sweet spot in the next three months would be just after the midterm elections,” says Steve Etko, FarmFirst’s

lobbyist at Midwest Dairy Coalition. “Given some of the high-level sticking points in the Farm Bill negotiations, even the December 31st deadline is ambitious. But it’s a deadline that must be met in order to improve the safety for our nation’s dairy farmers.”

While Congress is focusing mainly on the December 31st deadline, there are about 40 different programs whose authorities and/or funding expired on Sept 30th, including the Dairy Forward Pricing Program. These programs are essentially in limbo until a new Farm Bill re-establishes them.”

Due to the Dairy Forward Pricing Program’s expiration and lack of Farm Bill extension, proprietary dairy plants establishing new forward contracts on or after October 1, 2018 will not be exempt from paying minimum Federal order prices; proprietary plants will be obligated to pay producers with forward contracts the Federal order minimum price on milk pooled on the order.

Congressional leaders that are currently in negotiations are focused on addressing their concerns and will hopefully conclude their discussions during the lame duck session. If not, it could risk starting the discussions over again next year and delaying Farm Bill passage even further once newly-elected House and Senate members are seated. 🇺🇸

AUGUST 2018

Order Name and Number	UPPER MIDWEST		CENTRAL	MIDEAST
	Order 30	Order 32	Order 33	Order 33
Producer Milk (lbs.)	2,949,491,000	1,340,994,035	1,699,270,542	
Producer Price Differential @ base zone	\$ 0.13	\$ 0.14	\$ 0.40	
Statistical Uniform Price/cwt @ 3.5% BF*	\$ 15.08	\$ 15.09	\$ 15.35	
Class I Price/cwt	\$ 15.95	\$ 16.15	\$ 16.15	
Class II Price/cwt	\$ 15.07	\$ 15.07	\$ 15.07	
Class III Price/cwt	\$ 14.95	\$ 14.95	\$ 14.95	
Class IV Price/cwt	\$ 14.63	\$ 14.63	\$ 14.63	
Component Prices & Test Avg. % aves				
Butterfat/lb.	\$ 2.6009	3.78%	3.75%	3.71%
Protein/lb.	\$ 1.6245	3.04%	3.08%	3.04%
Other Solids/lb.	\$ 0.17410	5.78%	5.78%	5.77%
SCC Adjust Rate/1000	\$ 0.00078			
Producer Milk Classified %				
Class I	8.60%	30.49%	32.40%	
Class II	2.10%	10.87%	21.80%	
Class III	83.90%	41.64%	32.00%	
Class IV	5.40%	17.00%	13.80%	
	100.00%	100.00%	100.00%	

Federal Milk Order
Market Information

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.

Timothy & Jennifer Raese
Cletus or Melanie Hoover
Brian Sam Bieri
Dan Grossman

Brian & Monica Enyart
Brian Jacobs
Michael Kaiser
Chad & Cheryl Nolting

Scott Cannon
Doug Lyons
James & Annetta Reiff
Jerrold Rieckmann

Attend a Fall District Meeting Near You - Reserve your spot today!

Make plans to attend a district member meeting this November to learn more about your cooperative and the advocacy being done on your behalf on federal legislative and regulatory issues. There will be ample time for questions with board members and staff. Registration for the noon meetings begins at 11:30 a.m., with registration starting at 7:00 p.m. for the 7:30 p.m. meetings.

Join other members and help set the direction and public policies for your cooperative. Elections for delegates, D&R committee members and board of directors will be taking place. There will also be time for discussion on resolutions that will be considered by delegates at the annual meeting next February.

Members are welcome to attend any meeting that best fits their schedule. Make your reservation by calling 608-286-1906 or going online to FarmFirst's website. For those of you that cannot attend, election ballots will be available by request or online. 

Date	Time	Location
District 1		
Thurs., November 1, 2018	Noon	Belgiumtown Restaurant, Stephenson, Mich.
Fri., November 2, 2018	Noon	Crystal Falls, New London, Wis.
District 2		
Tues., November 27, 2018	Noon	Fin N Feather, Winneconne, Wis.
Thurs., November 29, 2018	Noon	The Ravine, Green Bay, Wis.
District 3		
Fri., November 9, 2018	Noon	Pizza Ranch, Sun Prairie, Wis.
Tues., November 13, 2018	7:30pm	Iron Ridge Inn, Iron Ridge, Wis.
Wed., November 14, 2018	7:30pm	Knights of Columbus, Fond du Lac, Wis.
District 4		
Mon., November 26, 2018	Noon	Rib River Ball Room, Marathon, Wis.
District 5		
Thurs., November 8, 2018	Noon	American Legion Hall, Marshfield, Wis.
Tues., November 13, 2018	Noon	Sportmen's Lounge & Supper Club, Muscoda, Wis.
District 6		
Mon., November 5, 2018	Noon	Brickhaus Bar, Farley, Iowa.
Wed., November 14, 2018	Noon	Moose Lodge, Monroe, Wis.
District 7		
Wed., November 28, 2018	Noon	American Legion Hall, Greenwood, Wis.
District 8		
Mon. November 12, 2018	Noon	Grand Occasions, Osseo, Wis.
Mon., November 12, 2018	7:30pm	Frog Hop, Cadott, Wis.
District 9		
Tues., November 6, 2018	Noon	Pizza Ranch, Pipestone, Minn.
Wed., November 7, 2018	Noon	Pizza Ranch, Watertown, S.D.
Thurs., November 8, 2018	Noon	Covered Bridge, Zumbrota, Minn.
Wed., November 14, 2018	Noon	Stout Ale House, Menomonie, Wis.
Mon., November 26, 2018	Noon	Pizza Ranch, Waite Park, Minn.

MPP Tracker			
Month	All-Milk Price	MPP Feed Cost	MPP Margin
Mar. 2018	\$15.60	\$8.8316	\$6.7683
Apr 2018	\$15.80	\$9.1836	\$6.6163
May 2018	\$16.20	\$9.4190	\$6.7809
June 2018	\$16.30	\$8.9347	\$7.3652
July 2018	\$15.40	\$8.6818	\$6.7181
Aug 2018	\$15.90	\$8.4733	\$7.4266

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.

Leadership Opportunities Coming Up in 2019

FarmFirst Dairy Cooperative is seeking nominations! Board of Director seats that are up for election include Districts 1, 2, 3 and 5. The District 2 director will serve a two-year term before returning to its regular election cycle. Districting & Resolutions Committee seats up for election include Districts 2, 4, 6 and 8. Additionally, all district delegates are up for annual election.

Nominate yourself or fellow cooperative members by October 31. Submitting nominations are easy! Visit our website at www.FarmFirstDairyCooperative.com and click on 'Submit a nomination.' Nominations are also welcome via mail, which can be addressed to FarmFirst Dairy Cooperative, c/o Kathy Bauer, Secretary at 4001 Nakoosa Trail, Suite 100, Madison, WI 53714 or email any submissions to info@farmfirstcoop.com.

Districts with Board of Director Elections:

District 1 - Wisconsin Counties of Florence, Forest, Marinette, Oconto, Outagamie, Shawano, Waupaca and the Upper Peninsula of Michigan.

District 2 - Wisconsin Counties of Brown, Calumet, Door, Kewaunee, Manitowoc, Sheboygan, Waushara and Winnebago.

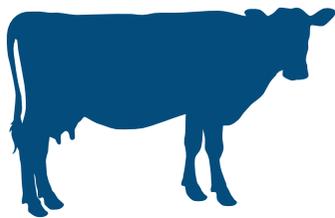
District 3 - Wisconsin Counties of Columbia, Dane, Dodge, Fond du Lac, Jefferson, Milwaukee, Ozaukee, Racine, Rock, Walworth, Washington and Waukesha.

District 5 - Wisconsin Counties of Adams, Crawford, Green Lake, Iowa, Juneau, Marquette, Portage, Richland, Sauk, Vernon and Wood.

Nominations are open until October 31. Make yours today! 

Seeking Member Resolutions!

Guide the future of your cooperative! Submit a resolution today! All resolutions are due by December 31st. Submit your resolutions to a staff member, mail to the office, or bring them to a district meeting this November!



Fall District
Meeting Info
INSIDE!

You're Invited!

Attend a District Member Meeting this November!



Enjoy a great meal at the member meeting near you, and learn more about:

- * Cooperative news and membership programs
- * Industry news and dairy promotion efforts
- * the cooperative's efforts on raising your voice on the latest developments on dairy policy, including trade, dairy exports, food labeling and the 2018 Farm Bill.

Ballots will also be at each meeting for you to cast your vote on future leadership positions!

Make Your Reservations Today! Reservations are due a week prior to each district meeting.
Call 608-286-1906 or visit www.FarmFirstDairyCooperative.com!

Join us and other members at a fall member meeting near you!

A full list of meeting locations can be found on page 5.