

# MILKLINE

NEWSLETTER



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## Thankful for Farmers



“Someday the American people are going to be hungry and they are going to be thankful for farmers.”

For as long as I have been working for and advocating for farmers, I've heard this so many times and while I've always agreed and appreciated your hard work, I generally shrugged my shoulders because Americans have enjoyed an abundant supply of high-quality, nutritious, convenient, safe and - let's not forget, tasty - food. It's been the least of their worries. Well, you were right and maybe now consumers will become more appreciative of your efforts.

The coronavirus outbreak was definitely a wakeup call for everyone. And, while we're still not hungry, the panic we've witnessed over the last few weeks and the stories and pictures

of people hoarding food was startling to me. Working in agriculture for my entire career, I have always had a great appreciation for the world-class food production, processing and transportation system we have in America.

The steps we are taking to slow the spread of the virus, like social distancing, staying at home, and postponing and cancelling events is foreign to all of us. After all, we're Americans - free to do what we want as long as we're not hurting someone else.

The dairy industry is doing its best to prepare for potential impacts from the coronavirus outbreak, but how it will play out remains to be seen. Dairies that rely on a few or a team of employees, are frantically preparing in case their team is affected and how they can keep everything operating as smoothly as possible. The same can be said for our dairy processing plants. Hopefully all the steps being taken will make a significant difference in keeping dairy farmers and their employees, the milk haulers, and processing plant employees healthy so they can keep their businesses up and running.

Any breaks in the food production system could be detrimental to the dairy industry, we all want the coronavirus outbreak and the restrictions we're under to last only a few weeks so we

can get back to normal, whatever that is. Yet, we need to be prepared if it lingers on into the summer months. If it does linger on, there is no doubt rural America will be adversely affected. FarmFirst stands ready to advocate for policies that will give dairy farmers a better opportunity to stay in business.

***“Maybe now consumers will become more appreciative of your efforts.”***

Hopefully, the coronavirus outbreak has reminded Americans of the importance of food security, and to have food production, processing and transportation in the hands of many rather than a few. Perhaps, they'll not take farmers for granted.

Unfortunately, old habits die hard. And when we get past this pandemic, my guess is that we'll all go about our normal activities. After all, we live in a society that lives in the moment. Maybe that's not all bad. Because you're so good at what you do, so many others are able to live this way, not thinking about where their next meal is coming from or who helped make it possible.

Thank you. Stay safe. Stay healthy. All the best this spring as you head to the fields for planting. We're working for you and not taking you for granted. 🐄

*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 advocacy, dairy marketing services, laboratory testing opportunities and industry promotion.



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First Leadership Session Builds Foundation for Future Success



The first session of the new leadership program, FarmFirst Future Dairy Leaders, was held on March 4 at FarmFirst's Madison office, bringing together the program's inaugural class of eight participants, including Travis Clark of Rosendale, Wis., Brian and Kristi Dinderman of Orangeville, Ill., Jake Hoewisch of Fremont, Wis., Stephanie Hughes of Pittsville, Wis., Abby Swan of Westfield, Wis., Becky Wellnitz of Brodhead, Wis., and Nathan Wiese of Ripon, Wis.

This first session introduced participants to the basic foundation of the cooperative business model, which included how a board evaluates and implements decisions related to financial management, equity distribution, and membership benefits among others. The participants also learned the keys to successfully implement a quality strategic plan, and how the cooperative's mission should always be the driving force for staff and board actions.



President John Rettler welcomes everyone and shares insight from the board's vision for the new program.

Program participants also examined the challenges facing the dairy industry and identified areas of particular interest that motivate and appeal to each participant to learn and become more involved with in the future.



Leadership participants talk strategy from a cooperative perspective.

"If the first session is a sign of what's to come for the program and our participants, FarmFirst Dairy Cooperative has some high-quality leaders rising up in the ranks. The participants questions were intense and focused on how a cooperative best functions to ensure stability and vitality long into the future, in addition to providing greater value to members," said Julie Sweney, FarmFirst Director of Communications & Marketing. "To top it all off, their conversations focused on

addressing many of the challenges the industry faces today while maintaining the cooperative mentality. Stay tuned for more to come from this group."

The second leadership session has been postponed due to COVID-19. The FarmFirst Future Dairy Leaders program is scheduled to have four day-long sessions scheduled throughout the year.



## \$2 Trillion Stimulus Package Includes Aid for Dairy Farmers

On March 27, 2020, the House of Representatives passed and the President signed the historic \$2 trillion stimulus package dubbed the Coronavirus Aid, Relief, and Economic Security Act (CARES), capping another wild week in Washington to help revive the U.S. economy and provide resources to many affected sectors, including dairy farmers. The CARES Act, which the Senate approved two days prior, will deliver the largest-ever infusion of government money into the economy, both on a dollar and a percentage basis.

In ongoing communication with the USDA, Congress and the White House, FarmFirst Dairy Cooperative has been working with the National Milk Producers Federation and the Midwest Dairy Coalition to build support for the measure, and to ensure that its funding will provide needed assistance for the dairy community. A more detailed summary of some of the bill's agriculture-related components is available at [www.FarmFirstDairyCooperative.com](http://www.FarmFirstDairyCooperative.com), with a quick summary included here:

- **Agriculture Producer Disaster Assistance** - The bill includes \$9.5 billion to assist agriculture producers impacted by the coronavirus, including specialty crop producers; producers who support local food systems such as farmers markets, schools, and restaurants; and livestock and dairy producers.
- **Commodity Credit Corporation** - The bill increases borrowing authority for USDA's Commodity Credit Corporation by \$14 billion.
- **Supplemental Nutrition Assistance Program** - The bill includes \$15.5 billion in additional funding for SNAP to ensure all Americans, including seniors and children receive the food they need.
- **Child Nutrition Programs** - The bill includes \$8.8 billion in additional funding for Child Nutrition Programs in order to ensure children receive meals while school is not in session.
- **The Emergency Food Assistance Program (TEFAP)** - The bill provides \$450 million for the TEFAP program. With many communities suffering from job losses, food banks have seen increased needs. These funds are critical so food banks can continue to assist those Americans most in need.



- **Rural Development** - The bill provides \$25 million to support the Distance Learning and Telemedicine program. This increase will help improve distance learning and telemedicine in rural areas of America. Additionally, \$100 million is provided to the ReConnect program to help ensure rural Americans have access to broadband, the need for which is increasingly apparent as millions of Americans work from home across the country. The bill also includes \$20.5 million to support \$1 billion in Business and Industry loans.

### Fourth Stimulus Package in Progress

While this third stimulus bill was just signed, House Speaker Nancy Pelosi and other lawmakers are already preparing for negotiations on a Phase 4 package to provide additional economic assistance. This could include an increase in SNAP benefits, which Democrats didn't fully achieve in Phase 3. The timing of the next congressional stimulus is not likely to occur until after Easter, giving time for dairy groups to achieve more specifics for dairy farmers in the next measure.

In a letter sent on March 24, the National Milk Producers Federation outlined several requests for the USDA to consider as strategies to best help dairy producers in the short term. These requests focused on dairy product purchases; creation of a surplus milk disposal program; and reopening the Dairy Margin Coverage program.

FarmFirst will continue to push these short-term strategies forward, knowing that these programs, if implemented, could help save many of the dairy farm businesses across the Midwest. We will also continue to collaborate and promote these strategies with Congressional leaders, helping reinforce the importance of a strong dairy assistance program by USDA. 🇺🇸

## Feeding Our Nation's Kids

School closures across the nation have left millions of children without access to regular meals.

Thanks to GENYOUth, they recently launched a new

campaign, "For Schools' Sake: Help Us Feed Our Nation's Kids," focuses on the COVID-19 Emergency School Nutrition Fund, which raises capital to provide grants to schools in order

to purchase supplies for meal distribution and delivery. Now, more than ever, it is important for children to maintain access to healthy, nutritious foods as suppliers and retailers work to keep products available to consumers. 🇺🇸





## FarmFirst Dairy Cooperative Urges Immediate Action by Secretary Perdue For More Dairy Farmer Support

FarmFirst Dairy Cooperative joined with other Midwest dairy cooperatives to send a letter to Secretary Sonny Perdue on April 1, urging him to exercise all of his previously existing and new authorities to provide additional means of support for U.S. dairy farmers.

“After five very economically challenging years for dairy farmers, market predictions from USDA and private sources in late 2019 were foretelling a slow improvement in dairy farmer income in 2020 and beyond. However, the COVID-19 pandemic reversed those trends very quickly. Milk and dairy product prices are now in freefall with the bottom nowhere in sight,” the letter states. “Without a substantial intervention by the federal government, pay prices to dairy farmers will quickly fall to levels that are unsustainable, even in the short term, and could lead to a drastic loss in dairy farms.

The letter was sent by Midwest Dairy Coalition, a group of dairy cooperatives based in the Midwest working together to represent the interests of their dairy farmer members. Midwest Dairy Coalition members urged Secretary Perdue to initiate a strategic Dairy Product Purchase Plan for donations to food banks and other donation programs, re-open the 2020 sign up for the Dairy Margin Coverage (DMC) program and to make additional accommodations for FSA direct and guaranteed loan borrowers.

“Dairy farmers across the industry are seeking a significant amount of dairy products to be purchased to keep products flowing through the supply chain. Such purchases will benefit dairy farmers as well as their farmer-owned dairy cooperatives by offering a short-term replacement for markets that have been lost as a result of the pandemic-related closure of schools, restaurants and other food service outlet,” says Jeff Lyon, General Manager of FarmFirst Dairy Cooperative. “It is critical

that the size, timing and specifications of the dairy product purchases be strategic. With regard to the size of the product purchase announcement, the quantity of the products purchased must be commensurate with the loss in dairy product sales related to the pandemic.”

Reopening the 2020 sign up for the DMC program would allow many farmers who made decisions based on 2020 dairy futures forecasts the chance to receive some coverage from the markets that have taken a very sudden and drastic downturn. In addition, the relaxation of procedures on direct and guaranteed loans is much appreciated, the coalition urges for additional emergency measures.

“These have been extraordinary and unforeseen changes in dairy markets that have negatively impacted the entire industry, from the farm gate to the dairy case at the grocery store,” says Lyon. “Everyone is reeling, attempting to adjust to our current situation and to do so quickly. Right now, dairy farmers are concerned about not having sufficient cash flow to keep their farms operating, which is why we urge the Secretary to consider additional emergency measures, such as loan deferrals or even debt write-down actions, in light of the severity of impact on farm income due to this pandemic. Reopening the sign up for the DMC allows dairy farmers to also utilize a tool that is meant to perform in times like these.” 🇺🇸



## ‘Here For You’ Campaign Launched as More Households Shelter-In-Place Due to COVID-19



With many Americans staying home as a result of the COVID-19 situation and with

many of our dairy promotional events and programs canceled or delayed, Dairy Farmers of Wisconsin (DFW) has redirected funds toward media with milk and farmer-forward ad placements in a campaign known as ‘Here For You.’

As national advertisers have pulled their placements, DFW has stepped in, taking advantage of valuable media placements at

incredibly low costs. The campaign reminds consumers that farmers and processors are still working to provide milk and other dairy products to communities during this challenging time. The messaging encourages consumers to look for milk and other dairy products when they shop for groceries and stay at home with their families.

The campaign includes a variety of media elements, including radio broadcasts, social media placements, and commercials available on standard TV channels, streaming and connected devices, as well as YouTube.

Additional efforts are in place to promote cheese consumption across the U.S. and to make dairy products available to families struggling to provide food at their table. 🇺🇸

# Serving You, Today and Everyday.

Dear FarmFirst Dairy Cooperative Members:

We have found ourselves facing new, unprecedented challenges. Knowing how this will impact so many families and small businesses is gut wrenching. There is great uncertainty for everyone as we navigate these challenges and work to get through this pandemic.

While there is much uncertainty and unknown, as the next few weeks unfold, I wanted to reassure you of a few things:


**1. FarmFirst Dairy Cooperative, Family Dairies USA and Fox Valley Quality Control Lab will remain open.** We've initiated and are implementing procedures to keep our staff healthy. Visitors may be limited, and the doors may be locked but the lights are on, we are here and the phones are open. Staff are ready to take your call. Family Dairies USA continues to market your milk as we have done every day before, and the Fox Valley Quality Control Lab continues to run milk and water tests for every sample coming in. We will continue to be operating and serving you in every way we can.

**2. Resources are available.** Please visit [www.FarmFirstDairyCooperative.com](http://www.FarmFirstDairyCooperative.com) if you are looking for additional resources related to COVID-19.

**3. Be creative in keeping children engaged - and safe - on the farm.** For many, children are back at home several months earlier than normal. Families that are looking for creative lessons and new resources to engage children and keep them safe are encouraged to visit and explore some resources available at our Coronavirus webpage available at [www.FarmFirstDairyCooperative.com](http://www.FarmFirstDairyCooperative.com). The school year isn't over yet! Consider looking here for some creative lessons that can take place on the farm. We encourage everyone to take the extra time to ensure the safety of everyone on the farm, especially as spring planting is right around the corner.

**4. Promotion of dairy is especially important during a time of crisis.** When news broke that households needed to begin social distancing and limit interaction in public places, the dairy case in most grocery stores became empty. On one hand, this is a great thing, to know that the general public recognizes the value of and role of milk and dairy products in a healthy diet. Unfortunately, empty shelves meant that other families looking for milk may not have been able to purchase milk when they needed to. Please remember that empty shelves do not signify that there is a supply issue but rather a logistics issue at the retail level. Simply put, consumers are purchasing products like dairy faster than they can arrive to the store and be put on the shelves. There is enough food in warehouses and coming from suppliers that no one should worry about a food shortage. While limiting their time in public spaces, everyone should know they can get milk and other dairy products for their families.


**5. We are in this together.** This is the most important... As this pandemic unfolds, it is important for you to know that you are not in this alone. FarmFirst Dairy Cooperative has been working with industry partners to ensure that every option is explored to ensure dairy farmers receive the best opportunity to move beyond this pandemic and its economic impact. I assure you - our Congressional leaders are thinking about you, your family, and the future of your business. We are working with other processors across the Midwest to ensure that plants can continue operating as much as they normally would this time of year. Please know that we all are doing our best.

**We will get through this.** Unfortunately, I'm afraid it will last longer than we'd like and impact us in ways we never thought possible. We have faith that we can find measures to support you and your businesses through this crisis. Please stay connected for additional information we share via social media channels along with posting on our website and our weekly e-newsletter. 



## Advocating for Dairy Farmers in Washington, D.C.

In early March, General Manager Jeff Lyon took to Washington, D.C. to advocate on legislative issues important to FarmFirst members. The timing was ideal, as only two weeks earlier, FarmFirst delegates had met at the 2020 Annual Meeting, reiterating their support for various priorities as well as approving new ones. Over the course of three days, he teamed up with other national dairy leaders and met with Congressional leaders to advocate for their support on various legislative issues.

Among the issues being discussed, legislators heard about the importance of establishing a safe and reliable workforce within the dairy industry, since labor is needed 7 days a week 365 days a year, for many farms and processors. FarmFirst also emphasized the need for continual dairy policy improvement as markets can be volatile and producers deserve more stability. 

*Jeff Lyon and other Midwest co-ops met with representatives to share a unified voice on many policies dairy would like to see action on.*



*Dairy farmers shared first-hand experiences to representatives.*



# FEBRUARY 2020

Federal Milk Order  
Market Information

| Order Name and Number                          | UPPER MIDWEST | CENTRAL       | MIDEAST       |
|--|---------------|---------------|---------------|
|  | Order 30      | Order 32      | Order 33      |
| Producer Milk (lbs.)                           | 2,247,486,387 | 1,348,053,355 | 1,703,583,936 |
| Producer Price Differential @ base zone        | \$ 0.06       | \$ -0.11      | \$ 0.27       |
| Statistical Uniform Price/cwt @ 3.5% BF*       | \$ 17.06      | \$ 16.89      | \$ 17.27      |
| Class I Price/cwt                              | \$ 19.35      | \$ 19.75      | \$ 19.55      |
| Class II Price/cwt                             | \$ 16.84      | \$ 16.84      | \$ 16.84      |
| Class III Price/cwt                            | \$ 17.00      | \$ 17.00      | \$ 17.00      |
| Class IV Price/cwt                             | \$ 16.20      | \$ 16.20      | \$ 16.20      |
| <b>Component Prices &amp; Test Avg. % aves</b> |               |               |               |
| Butterfat/lb.                                  | \$ 1.9813     | 4.01%         | 4.01%         |
| Protein/lb.                                    | \$ 3.0309     | 3.19%         | 3.24%         |
| Other Solids/lb.                               | \$ 0.17500    | 5.75%         | 5.79%         |
| SCC Adjust Rate/1000                           | \$ 0.00089    |               |               |
| <b>Producer Milk Classified %</b>              |               |               |               |
| Class I  | 9.40%         | 27.75%        | 30.80%        |
| Class II                                       | 7.70%         | 10.58%        | 20.70%        |
| Class III                                      | 75.40%        | 36.70%        | 32.40%        |
| Class IV                                       | 7.50%         | 24.97%        | 16.10%        |
|  | 100.00%       | 100.00%       | 100.00%       |



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**COVID-19 Updates Inside &  
a Statement from President Rettler**



*Thank you, milk haulers.  
Thank you, processors, cheesemakers,  
& plant personnel.  
Thank you, warehouse workers.  
Thank you, grocery store clerks.  
Thank you, doctors, nurses, &  
all medical professionals.  
Thank you, truck drivers.  
Thank you, Farmers.*

