

# MILKLINE

NEWSLETTER



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## Holiday Traditions



The holidays are upon us, and while this year has been anything but normal, it is still important to celebrate this special season. It is a time to reflect on all that we are most grateful for and honor annual holiday traditions the best that we can, given the circumstances.

As dairy farmers, I'm sure you would agree that you have a few unique family holiday traditions of your own. For my family, a tradition formed out the need to get chores done on Christmas morning.

Ever since our children were very young, our whole family would wake up bright and early on Christmas morning to do chores, together, as a family. When the chores were all done, we would all go into the house together for a big breakfast, celebrating the birth of Jesus and with plenty of dairy products!

Occasionally, my wife, Becky, and I felt bad that our children couldn't simply rush down the stairs and begin ripping open their presents like most of their friends.

A few years later, it became clear to us that caring for our cows on Christmas morning was a tradition they love! Even now, with our children older, married

and have families of their own, they still look forward to this Christmas morning tradition. One sibling even offered to fill in for another's chores on Christmas morning so they could have the chance to spend time with their family and sleep in. Their response? "It is tradition that we all get up and work together."

We love caring for our cows and have them to thank for this special Christmas tradition.

Another tradition we take part in a few weeks before Christmas every year, is Christmas caroling with our church family. It is nice to see smiles on shut-ins faces when we sing and a true blessing to spread some Christmas cheer. It is a nice time of serving and blessing others and enjoying the beautiful winter scenery and fresh air.

Continuing traditions that have been years in the making helps us find comfort

during these uncertain and lonely times. What usually is a time of year abundant with family gatherings and visits with friends, family and neighbors is now reduced to a much smaller circle of our loved ones and virtual visits through our phones and computers. As much as these family traditions mean to me and my family, I am hopeful that you are able to continue your own holiday

***“Continuing traditions that have been years in the making helps us find comfort during these uncertain and lonely times. Sometimes, change is also welcome and brings new traditions.”***

traditions as much as possible too.

Now that our children have grown into responsible adults and more recently young parents, it is obvious that our family is changing and evolving. This holiday, I have seven little faces that look up to me and call me, "Papa." These changes are good, and in fact welcome, and will lead to new traditions. The latest one? Decorating cookies with Grandma Becky, or more affectionally known as Nana.

I give my wife all the credit in her willingness to have four toddlers in her presence surrounded by frosting, sprinkles and colored sugar as she welcomes them to decorate cookies she baked the day before. She is looking forward to the big mess, and we are anticipating quite the mess. My wife's response?...

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CONTACT INFORMATION

BOARD OF DIRECTORS

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

Vice-President: Steve Brock
Daggett, Mich. 906-290-1917

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

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

Young Cooperator Rep: Travis Clark
Eldorado, Wis. 608-516-8789

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

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

Jean Reisinger - Spring Green, Wis. 608-546-6162

Dan Vandertie - Brussels, Wis. 920-493-7564

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

MEMBER SERVICES 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

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FarmFirst Members to Serve on National Dairy Committees

Grassroots leadership is central to how FarmFirst Dairy Cooperative operates and a reason for our success. Ensuring federal dairy policy makers receive feedback begins with having a seat at the table. Two FarmFirst members have been selected to serve on two national dairy committees with the National Milk Producers Federation (NMPF).



Wayne Gajewski, dairy farmer from Athens, Wis. and the District 4 Director on the Board, will serve as a Dairy Trade Envoy. The Dairy Trade Envoy Program is a joint initiative led by NMPF and the U.S. Dairy Export Council to equip a select group of dairy farmers and industry staff with the tools necessary to articulate dairy trade issues to policymakers and the media as the need arises. The initiative seeks to develop issue-specific expertise in order to best equip participants with in-depth engagement with NMPF and USDEC staff and with outside audiences on various trade policy topics. Wayne participated on a discussion panel with Vice President Mike Pence where he advocated for trade agreement provisions that support U.S. dairy farmers.



Mike Paulus, dairy farmer from Fredonia, Wis., will serve as a member of the NMPF Animal Health & Well-Being Committee. This committee is responsible for coordinating NMPF participation in animal health emergency contingencies, including development of standard operating procedures and identification of animal health research priorities in addition to promoting the efforts of the Foot and Mouth Disease (FMD) Working Group to assist industry and government prepare for and prevent the introduction of FMD. The committee will also monitor and assist in the development of control and eradication programs for diseases such as Johnes disease, Bovine tuberculosis, and Salmonella.

The FARM Animal Care & Antibiotic Stewardship Task Force members approve and review recommendations from the FARM Animal Care & Antibiotic Task Force and public comment related to FARM Animal Care and Antibiotic Stewardship.

Lastly, the committee will provide feedback and recommend final drafts of FARM Animal Care and Antibiotic Stewardship program areas. Mike is also an active member of the Clean Farm Families Watershed group as well as having served as a delegate at FarmFirst's Annual Meeting.

Congratulations to Wayne and Mike on representing FarmFirst within these national positions!

2021 Scholarship Applications Available



Scholarship applications are now available for the 2021 FarmFirst

Dairy Cooperative scholarship program. The application deadline is March 31, 2021. Applications are available online at www.FarmFirstDairyCooperative.com or by calling 608-286-1909. Submissions can be received through the online form, via email or a printed, paper copy can be mailed in with a postmark date of no later than March 31, 2021. Please confirm receipt of your application.

## U.S. Government Formally Challenges Canadian Dairy Practices



It would seem that the ink has barely dried on the U.S.-Mexico-Canada Agreement, and it appears that Canada is already actively working to undermine the spirit of the pact by restricting U.S. dairy market access. The U.S. Trade Representative's office agrees

with concerns expressed by U.S. dairy leaders and numerous members of Congress and has initiated an enforcement action targeting those Canadian dairy protections. The USTR is acting on these observations that Canada is reserving tariff rate quotas (TRQs) for its own processors, limiting the export opportunities for U.S. dairy companies.

Earlier this year, industry leaders between the National Milk Producers Federation and the U.S. Dairy Export Council highlighted for USTR and the U.S. Department of Agriculture

(USDA) the inconsistencies between Canada's dairy TRQ allocations and Canada's USMCA obligations. In a detailed filing submitted to the administration, the agencies were provided with a specific legal review of the Canadian TRQ system and an explanation of the negative impacts resulting from them.

Since the agreement was signed, FarmFirst has made it clear that the USMCA will only work for our dairy sector if Canada is held accountable to open its markets according to the terms of the USMCA. The first step is consultations to investigate the dispute. If consultations cannot resolve the issue, the USTR may ask for a dispute settlement panel to rectify the matter.

FarmFirst is encouraged by this recent development to address the ongoing issues presented by Canada. While it may be challenging to fully comprehend, the end result is that Canada is not following through on their promises made in this hard-fought trade agreement, which ultimately impacts dairy farmer's bottom line here in the U.S. 🇺🇸

## USDA Again Proposes Expanded Milk Flexibility in School Lunches



One of the first issues that Secretary Sonny Perdue tackled when he took the reins at USDA was easing the restriction limiting flavored milk to only fat-free flavors in the school lunch program. Unfortunately, now almost four years later, USDA is still having to work on the issue.

Recently, the agency re-proposed a rule first issued in 2017 and then finalized in 2018 to allow flavored, low-fat milk to be permanently available in the program. (For reference, both flavored and 1% milk are currently allowed, but not the combination.)

The 2018 USDA rule was overturned by a Maryland district court earlier this year on a procedural error relating to the rule's non-milk provisions, forcing USDA to rectify the problems and make another attempt. While the expanded flexibility for milk varieties hasn't been a flash point for those opposed to any changes, the new regulation also addresses two other more controversial issues: the required use of whole grains, and the reduction in sodium content in school meals. The proposed rule was published in the Federal Register on Nov. 25 and is open for a 30-day public comment period.

FarmFirst is eager to see this new rule become permanent, eliminating the risk of children not receiving the nutrition they need from a simple, tasteful option such as flavored, low-fat milk. FarmFirst will remain vigilant on the issue in addition to submitting comments and advocating for its permanency. 🇺🇸

## CFAP Payments Near \$12.5 Billion, Additional Dairy Purchases Coming

The latest update on the second round of the Coronavirus Food Assistance Program indicates that USDA has now paid out more than \$12.4 billion so far, including \$1.13 billion to dairy farmers. The signup deadline for CFAP 2.0 was Dec. 11.

According to our calculation, total CFAP payments (rounds 1 & 2) to dairy farmers for their milk losses alone (not covering payments for livestock or crops) have totaled nearly \$3 billion. In addition, USDA spent approximately \$1.25 billion on dairy purchases for the food box program and another \$610 million on dairy product purchases under Section 32 and other programs.

On December 7, the USDA announced a new, additional Section 32 dairy award that will purchase \$60 million worth of fluid milk and \$50 million of butter. Purchases made under the authority of Section 32 of the Agricultural Adjustment Act of 1935 authorize the USDA to buy surplus commodities to support prices, then distributing them through domestic nutrition programs. Under this Section 32 dairy award, fluid milk purchases will include gallon and half-gallon containers of whole, 2% and 1% milk; butter purchases will include 1-pound packages of print salted butter.

It is estimated that USDA dairy product purchases totaled nearly \$1.9 billion in 2020. About two-thirds of those purchases were through the Farmers to Families Food Box program, created to provide food assistance to those in need during the COVID-19 pandemic. 🇺🇸





## Holiday Traditions

(Continued from Page 1)

With a big smile on her face, “We’ll have a great time, and then I’ll clean up after they leave.”

Sounds like a plan. Sometimes you just have to embrace the mess – cookie decorating or any situation – and know that you’ll simply have to clean it up afterwards.

From my family to yours, we wish you a very Merry Christmas and blessed holiday season. 🍪



**Steve Brock**, Director of District 1, is featured in this month’s cover story. Steve lives in Daggett, Mich. and farms with his wife, Becky, and their children including their daughter Anne and her husband Matt, their son Jake and his wife Katie, and their son Levi and his wife Joliette. Steve has been a member of the cooperative since 2015, a board member since 2018 and is proud to represent dairy farmers through FarmFirst.



*This holiday season still had a few traditions from the past, but also a new tradition of Christmas cookie decorating with Nana. It was a day full of sugary frosting, happy smiles and new memories.*



## Get to Know Your Board: Travis Clark of Rosendale, Wis. - Young Cooperator Representative



**Name:** Travis Clark  
**Location:** Rosendale, Wis.  
**First Joined the Board:** 2018

### Tell us more about your dairy farm.

My in-laws, Roger and Sandy Grade, started the dairy farm in the current location in 1972. My wife, Janet, and I joined her brother David on the farm transition ten years ago. Today, our farm includes

our herd of Holstein cows with 1000 acres of cropland. We also do multiple custom operations, planting, chopping, baling, combining and tiling.

### Why do you choose to be a member of FarmFirst Dairy Cooperative?

I believe FarmFirst is working for its members and serves as a voice for Midwest dairy farmers on dairy policy issues. Additionally, the programs available through the cooperative including the disaster assistance program and the Future Dairy Leaders program show that the cooperative is looking to build the next generation of leaders within this grassroots organization. There is ample opportunity available for every member within FarmFirst Dairy Cooperative.

### What motivated you to run for a director seat on the board?

I found myself on the board of directors after I was originally elected to be the Young Cooperator Vice-Chair. As Vice-Chair, I attend the board meetings to represent the interests and perspective of the younger members of the cooperative while sharing any updates about the Young Cooperator program.

### What do you hope to achieve while on the board?

In my role, I plan to continue to be a voice for the younger farmers involved in the cooperative and to share opportunities for membership development. Since the inclusion of the Young Cooperator Chair to the board, the cooperative has launched a new leadership program and continues to support the presence of FarmFirst Young Cooperators on a national level. I believe there is great value in having a young cooperators on the board.

### When it comes to advocacy efforts, what issues are most important to you?

International dairy trade, dairy labeling and enforcement of the FDA’s definition of milk and dairy product standards, and immigration reform. There are a variety of issues impacting the dairy industry, and these are issues I see as top priorities for 2021. 🍪

# FarmFirst Hosts Successful Virtual District Meeting



Fall member district meetings looked quite different this year, having welcomed members to hear updates from cooperative leaders, managers and national dairy leaders while in the comfort of their own homes. FarmFirst's first-ever virtual district meeting that took place on December 2 was a success in connecting members from across the membership region when gathering in-person was simply not possible.

President Rettler welcomed members and shared some personal perspective he's gained over the last several months of being grateful for all the individuals across the dairy industry helping make a difference by keeping dairy products moving and farmers in business. While these days are challenging, his message reminds us that there's plenty to still be thankful for.


Similar to in-person meetings, members received an update from Jeff Lyon, General Manager for FarmFirst, who shared his multi-faceted perspective on how dairy farmers and dairy businesses were being directly and indirectly impacted by the COVID-19 pandemic over the past several months. He himself was visiting with Congressional leaders in Washington, D.C. when the news broke and safer-at-home orders were just beginning to be put in place.

Mick Homb, Director of Milk Marketing for Family Dairies USA, a division within FarmFirst Dairy Cooperative, described the direct impact

felt by dairy processors and cheesemakers as schools, restaurants and institutions suddenly shut down for an undetermined amount of time. He described the ever-changing situation that was for dairy marketing this past spring, with a complete reversal affect taking place in summer when the Farmers to Families Food Box Program kicked off. To this day, selling loads of milk continues to be for only short-term commitments.

Fox Valley Quality Control Lab, another division of FarmFirst Dairy Cooperative and based in Kaukauna, Wis. also managed through the spring, increasing sanitizing protocols for incoming milk sample packages while continuing to stay open. Cheryl Harrmann, Director of Lab Services at Fox Valley Quality Control shared helpful tips to members to help identify bacteria sources.

The featured guest for the virtual meeting was Jim Mulhern, President and CEO of the National Milk Producers Federation. He provided first-hand updates about federal policy and programs directly impacting dairy farmers. He shared the success of COVID-19 relief legislation, including both rounds of the Coronavirus Food Assistance Program (CFAP) and the Farmers to Families Food Box program besides the performance of the Dairy Margin Coverage (DMC) program. He also shared positive news from emerging Congressional leaders, ready to represent agriculture in the new year.

Members interested in watching the virtual district meeting are welcome to do so by visiting the 2020 District Meeting webpage available at [www.FarmFirstDairyCooperative.com](http://www.FarmFirstDairyCooperative.com). 

## 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.


Bill & Sally Schumann  
Todd Bores  
Scott Breu  
Roger Kusta  
Joe Thiel  
Scott & Judy Coons  
Larry Coons  
Kevin Mauk  
Ezra Kanagy  
Abner & Annie King  
Kevin Pankratz  
Lawrence & Berniece Zimmerman  
Clarion Kohlbeck  
Donald & Elizebeth Mayer  
Kenneth Martin  
Micheal Lamberty & Ashlie Starr  
Henry & Mary Miller  
Jonathan Martin  
Steven Mayer  
Marty Krueger  
John Imhoff  
Caleb Zimmerman  
Daniel Hershberger  
Jonas Fischer  
Curvin Fox  
Brian & Sarah Zimmerman  
Jamie & Chris Hartleben  
Toni Davidson  
Troy Hargot  
Thomas & Jane Hilgart

## Resolutions Due by December 31st

Members are encouraged to submit resolutions to be considered for the Districting & Resolutions (D&R) Committee. The D&R Committee will meet in early January to review all submitted resolutions and prepare final resolutions to be presented for delegates to vote on at the 2021 Annual Meeting.

### How to submit a resolution:

- **By email** - send your resolutions to [jlyon@farmfirstcoop.com](mailto:jlyon@farmfirstcoop.com). Include 'Resolutions' in the email subject line.
- **By mail** - send your written resolutions to the FarmFirst Dairy Cooperative office, located at 4001 Nakoosa Trail, Suite 100, Madison, WI 53714.

All resolutions need to be sent by December 31st. 



# OCTOBER 2020

Federal Milk Order  
Market Information

	UPPER MIDWEST	CENTRAL	MIDEAST
<b>Order Name and Number</b>	<b>Order 30</b>	<b>Order 32</b>	<b>Order 33</b>
Producer Milk (lbs.)	926,329,604	866,627,646	1,279,118,320
Producer Price Differential @ base zone	\$ -4.43	\$ -7.38	\$ -6.87
Statistical Uniform Price/cwt @ 3.5% BF*	\$ 17.18	\$ 14.23	\$ 14.74
Class I Price/cwt	\$ 17.00	\$ 17.20	\$ 17.20
Class II Price/cwt	\$ 13.63	\$ 13.63	\$ 13.63
Class III Price/cwt	\$ 21.61	\$ 21.61	\$ 21.61
Class IV Price/cwt	\$ 13.47	\$ 13.47	\$ 13.47
<b>Component Prices &amp; Test Avg. % aves</b>			
Butterfat/lb.	\$ 1.6388	4.05%	3.98%
Protein/lb.	\$ 5.0146	3.21%	3.27%
Other Solids/lb.	\$ 0.15340	5.78%	5.79%
SCC Adjust Rate/1000	\$ 0.00115		5.77%
<b>Producer Milk Classified %</b>			
Class I	24.40%	47.60%	46.20%
Class II	20.90%	16.10%	28.40%
Class III	41.50%	4.09%	6.70%
Class IV	13.20%	32.21%	18.70%
	100.00%	100.00%	100.00%



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Receive the advice you need by calling ARM Services and learn more about:

- Livestock Gross Margin (LGM) Dairy Insurance and how it has performed over the last several years
- Dairy Revenue Protection (DRP) Insurance and how farmers are using it to protect based on components or market prices during seasonal fluctuations
- Dairy Margin Coverage (DMC) and what economists are expecting from this FSA program in 2021

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