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Finding Balance



Over the last several weeks, a word keeps coming to mind as I attempt to stay centered during all the chaos around me: Balance.

Plain and simple, COVID-19 has more than upset the apple cart of supply and demand in dairy markets, it has chopped the whole orchard down. Videos of milk being dumped and vegetables being plowed under leave us in agriculture speechless. We know the work, long-term plans and coordinated effort that is required to produce the food that is now ultimately going to waste. Its mind-boggling, but yet it's a current reality.

It has also reminded us in agriculture of our well-coordinated food supply chain. The system is not meant to host large inventories of food any longer than necessary; the system works

to have food products harvested and quickly moved to consumers so they continuously have access to the freshest food available. This efficiency also allows for some of the lowest food costs in the world. The process is a smooth, running train that can handle various bumps along the way, but not a derailment like COVID-19.

Some of this derailment has been at the processor level, where before COVID-19, contracts for loads of milk

were regularly filled with additional loads of milk. Immediately after Safer-At-Home orders were put in place, those spotloads of milk had no where to go and contracts were being broken because demand had disappeared. This has been evident across the industry, except for processors looking to fill their inventory in a distressed market and others that had demand for their products explode thanks to households purchasing more now that they are home with their children seven days a week.

Beyond trying to maintain balance in supply and demand, there's also the need to maintain a mental balance. In times of crisis and uncertainty, it's hard to stay centered. Emotions can change quickly and be hard to control. A simple inquiry of "How are you doing?"

Is everything going alright, or as much as it can be?" might be followed by both laughter from making a joke, and then tears out of sheer anxiety and fear of what is happening. While it seems inevitable that nothing will go back exactly as it was, no one is certain of the long-lasting impacts of COVID-19.

The mental health of America wasn't primed for a pandemic, but it happened anyway. And while we can look to our community for the support

"Perhaps some good will result because of all this: a greater appreciation for our nation's food supply and those who make it all possible."

we need, sometimes we are our own worst enemy in maintaining the hope and confidence needed to keep plowing forward. I find it beneficial to reach out to friends, family and neighbors. Not only for me, but for them as well. Often, simply talking about your current situation with someone who can relate eases the burden on ourselves and reminds us that we are not alone.

While both fell out of balance due to COVID-19, perhaps some good will result because of all this: a greater appreciation for our nation's food supply and those who make it possible. Too often, when TV commercials, radio ads and billboards are thanking those on the front lines they only mention doctors, nurses, EMT's, police and...

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Family Dairies USA's Piotrowski Earns Student of the Year Recognition



Two years ago, Kevin Piotrowski was looking for a reliable source of income while completing his GED. Now, he's a few weeks away from graduating from the CNC/Tool and Die Technologies program from Moraine Park Technical College.

What helped make it all possible? His employment at Family Dairies USA working weekends and holidays as an intake plant assistant at the cooperative's reload facility in Kewaskum, Wis.

"At the time, I was just looking for a source of income while attending school and the reload was close to where I lived. After I had the job, the idea of pursuing something after my GED seemed possible. I figured, why don't I try to get into the program?" says Piotrowski. "I was fortunate to find a job that offered me weekends and holidays which allowed me to focus more fully on school."

With his new schedule and ample time during the week to dedicate to school, Piotrowski was able to do well in his classes, getting straight A's, and he was also able to become more involved on campus. He is currently serving as president of the Student Senate, which plans on-campus activities for students. Recently, his good grades and on-campus involvement earned him recognition as the Student of the Year for Moraine Park Tech College based in West Bend, Wis.

"I was very honored to have received this recognition even though I wasn't doing it for the credit," says Piotrowski. "It is great motivation for me to keep going and doing what I've been doing."

The level of commitment Piotrowski shows in his schoolwork is reflective in his commitment to work.

"When I first started, I worked alongside the other staff and was able to learn how to deal with various issues as they arose. It was definitely overwhelming to learn so much, but this position was something that took experience, so after a few weeks with less and less guidance, I was able to be on my own," says Piotrowski.



Kevin Piotrowski is the intake plant assistant at the reload facility in Kewaskum. Working weekends and holidays has allowed him to focus on earning his Tool and Die Technologies diploma.

With graduation being postponed to later this summer due to the COVID-19 pandemic, Piotrowski estimates that he'll be seeking a job in the tool and die industry in late July.

"You might not think of it but in order to do well at this job it takes dedication to be here every weekend and holiday in addition to having good people skills as there are many milk haulers that visit the plant. Mechanical aptitude helps quite a bit too. Being flexible and quick to tackle issues as they arise is important," says Piotrowski about the part-time position.

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Waiting on Details for Dairy in Coronavirus Food Assistance Program (CFAP)



The Coronavirus Food Assistance Program (CFAP) was announced on April 17 by USDA Secretary Sonny Perdue. At press time for this edition of the MilkLine, the USDA has provided few details about the

program. Dairy is slated to receive \$2.9 billion of the \$16 billion in direct payments for agricultural producers and \$1 billion of the \$3 billion in commodity food purchases under CFAP, but exactly how the producer assistance will be provided remains unclear.

USDA's initial proposal included a one-time payment to be made to dairy producers, with the timing of the payment projected for late May. The USDA has forwarded its recommendations to the Office of Management and Business (OMB), however, one can only guess when they would give their final approval. Once the OMB signs off, the regulation will be printed in the Federal Register as either an interim or final rule with limited opportunity for comment.

There's great concern across the industry that the assistance earmarked to date won't adequately address damage from the pandemic. First and foremost, the USDA's proposal front-loads the damage calculations during the first three months of the year where producers will receive 85% of actual losses. Only 30% of the projected loss for producers will be paid from April 15 to October 15, during the late-spring and summer months when milk price conditions will be at their worst.

"While many businesses were doing well before COVID-19 hit the economy and shuttered businesses across America, U.S. dairy farmers were already feeling battered and bruised from the past few years after surviving ongoing trade disputes and low commodity prices," says John Rettler, dairy farmer from Neosho, Wis. and president of FarmFirst.

"USDA's announcement of direct payments to dairy farmers is greatly appreciated to ensure that they can keep producing wholesome dairy products," adds Rettler. "We urge the USDA to distribute these much-needed funds to dairy farmers as quickly as possible. Time is of the essence as dairy farmers contemplate how to weather this storm of COVID-19."

Payment limits are also a concern. USDA has said there will be a \$125,000 payment limit per commodity and \$250,000 payment limit per farm entity. As Jim Mulhern of the National Milk Producers Federation noted, "These are similar to the Farm Bill program, but these are not Farm Bill payments. They are disaster assistance. No other segment of the economy has these low payment limits—whether its airlines, restaurants, and other hospitality businesses."

"These are unprecedented times for all of us. And it calls for unprecedented support of those in our nation that supply the food to feed us all," says Jeff Lyon, FarmFirst general manager. "We appreciate the work by Congress and the USDA in building this plan to support agriculture. This is a very important step in what will be a long road of survival and then recovery, and we look forward to working with members of Congress to help determine additional assistance that will ultimately be needed." 🇺🇸

Problems Persist for SBA Loan Program's PPP; Door Opened for Ag EIDL



U.S. Small Business Administration

A fresh infusion of more than \$300 billion for the Small Business Administration's (SBA) new Paycheck Protection Program allowed for the SBA to begin accepting loan applications filed by lenders on behalf of borrowers. However, the combination of high demand, technological glitches,

and remaining uncertainty surrounding application requirements has frustrated lenders and borrowers alike. National Milk Producers Federation, whom FarmFirst is a member of, joined more than 35 agriculture groups in calling for changes to the PPP to ensure dairy farmers and other agricultural producers have access to the program's small business support.

Fortunately, when it came to the SBA's Economic Injury Disaster Loan (EIDL) program, a door was opened for agriculture. On

Monday, May 4, the application period was opened exclusively to agriculture to complete new EIDL applications. The SBA is still processing EIDL applications received in the first round, but this application period that's open exclusively for agriculture is very welcome and encouraging.

FarmFirst applauds the opportunity that has been extended to agricultural businesses to apply for EIDL loans in this new, exclusive application period. We encourage every farmer to consider this option. FarmFirst continues to work with members of Congress to maintain support and focus on additional funding for agriculture in future COVID-19 relief measures.

PPP applications can be completed with assistance from your ag lending institution while EIDL applications are completed by individuals online. More details regarding these applications, processes and other details can be found at www.FarmFirstDairyCooperative.com. 🇺🇸

AMS Turns Down Request to Lock in Class I mover at \$15.68/cwt.

USDA's Agricultural Marketing Service turned down a request on April 29 for an emergency national Federal Milk Marketing Order hearing on a request to set the Class I mover at \$15.68 for the months of June-August. The emergency hearing request was made by several cooperatives who serve the nation's fluid market. The request was triggered by the sharp drop (-\$3.69/cwt.) in the Class I mover for May announced by USDA and the expectation that the mover will drop again later this month when the June advanced price is announced. Proponents proposed to freeze the mover at the simple three-month average of March-May.

The proposal was offered as an effort to boost producer income at a time of great need. Estimates indicated it would have added approximately \$150 million to Class I pools during the month of June alone. In turning down the request USDA indicated that other stakeholders had indicated an interest in offering additional ideas and the department felt it would not be able to act on the requests in a timely fashion (i.e. prior to announcing the June Class I mover later this month).

FarmFirst as well as other dairy cooperative members of the Midwest Dairy Coalition opposed the proposal and sent a letter to AMS stating reasons why. As stated in the letter, "We agree with the need for bold USDA action to address the unprecedented collapse in market prices. However, any

action to insulate the price of Class I (fluid) milk products, which represents only 28 percent of the market, at the expense of Class III and IV prices, which represents 60 percent

of the national market is counterproductive. Commonly accepted economic analyses have demonstrated that artificial enhancements of Class I prices have a counter effect in the form of reduced prices for the manufacturing classes of milk (Class III and IV).

Because of the wide regional disparity in Class I and II utilization rates, the decoupling proposal would have inequitable effects across the country. For example, under the emergency Class I price floor proposal, a dairy farmer in the Upper Midwest order, where the average Class I utilization is about 8 percent, would be treated significantly different from a dairy farmer with the same size of operation in Florida, where the Class I utilization rate is about 83 percent. For this and many other reasons, trying to deliver emergency assistance to dairy farmers through the Federal Milk Marketing Order System is an extremely cumbersome and inequitable avenue." 



Funds Approved for Dairy Product Purchases, Currently Total \$220 Million



U.S. Secretary of Agriculture Sonny Perdue announced on May 4 the details of \$470 million in Section 32 food purchases, \$120 million of which is designated for dairy, to occur in the third

quarter of fiscal year 2020, enabling the USDA to purchase surplus food for distribution to communities nationwide. These Section 32 purchases will provide additional support for producers and Americans in need, in response to changing market conditions caused by the COVID-19 national emergency.

The purchases are scheduled to occur in the next two months, with deliveries slated for July, and are in addition to purchases previously announced in the CARES Act funding. Dairy received the most amount of funding, with turkey and potato products next with \$50 million each. Industry requests for future purchases using Section 32 funds, including potential plans for the fourth quarter of fiscal year 2020, will be assessed on an ongoing basis.

"America's farmers and ranchers have experienced a dislocated supply chain caused by the Coronavirus. USDA is in the unique position to purchase these foods and deliver them to the hungry Americans who need it most," said Secretary Perdue.

Prior to \$120 million being made available through Section 32 funds, the USDA's new Farmers to Families Food Box Distribution Program announced it will provide approximately \$100 million per month for purchase of dairy foods to stimulate demand.

FarmFirst greatly appreciates the funding that has been allocated for dairy product purchases, especially as the need is so great in light of plummeted food service sales. However, FarmFirst continues to advocate for as much of the funding as possible to be used exclusively for purchasing dairy products and avoid being gobbled up by logistical costs including handling, processing, shipping and distribution.

FarmFirst will monitor dairy markets and demand, while continuing to advocate for additional funding for purchases of dairy products to ensure valuable, nutritious foods get to those that need them, especially during this pandemic. 

Finding Balance.

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firefighters, grocery store staff and truck drivers. And, while it is important to recognize these people, I strongly believe that farmers, haulers, and staff at processing facilities should be added to this list as well.

Dairy farmers do not have the option to simply shut down their operation for a week at a time. And yet, this is part of what makes us dairy farmers. There is an immense amount of pride behind each gallon of milk, block of cheese and ounce of cream. Many consumers, even today, do not realize the amount of care and dedication that is behind the products they purchase from grocery store shelves. And so many never give a second thought to the work that went into getting it there.

Until now. Panic buying and various plant closures are to thank for empty shelves in the grocery stores. Headlines drawing concern on the nation's food supply only led to more panic buying as meat options become limited. Local meat markets are busier than ever, and hopefully they can keep up with demand. Ironically, as we celebrate the month of May as National Beef Month, we are left wondering if there will be enough for consumers to buy in the grocery stores, or if they'll have to choose alternatives.

Needless to say, Midwest dairy farmers are ready for everyone

to get back to work. In safe conditions, of course. Personally, it felt good to know that instead of rushing to get a new car, the latest technology or rushing to the salon, everyone ran to the grocery store. And among the top of the list of what people purchased was dairy products. We know that our food supply is incredibly low-cost, high-quality and abundant. Now, that is being challenged. And while so much food is getting donated and made available at no cost to so many, it is important for consumers to understand that there is a cost to producing food. It is not free.

In light of increasing unemployment due to the pandemic, I've made the comment that it's not the worst thing in the world to be unemployed. Rather, it's worse to have a job, a job you love and are dedicated to everyday, and not get sufficiently paid for all your work.

Maintaining a balance during COVID-19's pandemic has been challenging in many ways, and I look forward to the next chapter in our lives; where no milk is dumped or undervalued, where no farmer is left feeling desperate or in despair, and where no one forgets about the farmers that made their meal possible.

Thank you for all you do. 🇺🇸



May is National Beef Month

May is National Beef Month, and just in time for grilling season to truly kick off this summer! While the coronavirus pandemic has limited the ways we can socialize, it's still a time to celebrate and promote this healthy, delicious and high-quality protein.

In fact, the pandemic has actually led many households to discover new ways to cook beef, whether it's simply new recipes for homemade casseroles or how-to tips on freezing, thawing. Even some family-friendly recipes are available to involve some of the youngest cooks in the kitchen.

The Wisconsin Beef Council developed At Home With Beef, a webpage designed for consumers eager to learn more about cooking with beef: <https://www.beeftips.com/cooking/at-home-with-beef>, also available at FarmFirst's website.

Since the Safer-At-Home order was in place in mid-March, the webpage has seen nearly 100% increase in page views, reaching almost 12,000 consumers. Their steak night promotion reached over 10,000 consumers alone. Clearly, more households are discovering the value and quality taste of beef while enjoying it at home, which is also good for dairy farmers. 🇺🇸

Piotrowski Earns Student of the Year Recognition *Continued from Page 2*

While his plans for employment were not long term, he has enjoyed working with the Family Dairies USA team.



"The team at the reload facility is great and very supportive.

They've been very communicative and incredibly helpful when I've had questions or new issues have arose. I've appreciated working with them and having their support to do well in school. It might be cliché but they definitely put the meaning behind family at Family Dairies USA," says Piotrowski.

"He's a very good, hard worker and very attentive. He's done a great job. He's always on time, very responsible and I don't have to worry about him on the weekends. We'll certainly miss him," says Mike Payne, the intake plant manager.

Family Dairies USA would like to congratulate Kevin Piotrowski for being recognized as the Student of the Year at Moraine Park Technical College and wishes him all the best as he seeks a position in the tool and die industry. Congratulations, Kevin! 🇺🇸

MARCH 2020

Order Name and Number	UPPER MIDWEST	CENTRAL	MIDEAST
	Order 30	Order 32	Order 33
Producer Milk (lbs.)	2,545,621,419	1,444,186,818	1,747,717,912
Producer Price Differential @ base zone	\$ 0.17	\$ 0.15	\$ 0.72
Statistical Uniform Price/cwt @ 3.5% BF*	\$ 16.42	\$ 16.40	\$ 16.97
Class I Price/cwt	\$ 19.26	\$ 19.46	\$ 18.64
Class II Price/cwt	\$ 16.75	\$ 16.75	\$ 13.87
Class III Price/cwt	\$ 16.25	\$ 16.25	\$ 13.07
Class IV Price/cwt	\$ 14.87	\$ 14.87	\$ 11.40
Component Prices & Test Avg. % aves			
Butterfat/lb.	\$ 1.9177	3.97%	3.97%
Protein/lb.	\$ 2.8424	3.17%	3.17%
Other Solids/lb.	\$ 0.18100	5.76%	5.79%
SCC Adjust Rate/1000	\$ 0.00085		5.78%
Producer Milk Classified %			
Class I	9.60%	29.53%	35.40%
Class II	2.40%	9.46%	18.00%
Class III	81.90%	36.32%	32.20%
Class IV	6.10%	24.69%	14.40%
	100.00%	100.00%	100.00%



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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.

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Dan Henning
Scott Digman
Ron Jaedike
Kyle Albers
Ben Hughes
William Fabry

James Battist
Jeff Elmhurst
Jeffrey & Laura Schmeiser
Jon & Teresa Rezutek
Jared Goebel
Samantha Lis
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MAY is BEEF MONTH
celebrate all things beef with us.