

# MILKLINE

NEWSLETTER



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## FarmFirst Disaster Benefit Pays Following Derecho



Farmers in Newhall, Iowa weren't very familiar with the term 'derecho' and what kind of impact it could have on their dairy farming operations. However, on what was seemingly a typical August day, a few dairy farmers quickly realized the power and fury of a 'derecho' as their farms experienced unprecedented damage from the summer storm which generated peak wind speeds of over 110 miles per hour.

Thanks to FarmFirst Dairy Cooperative's disaster benefit program, cooperative members facing milk income loss on their dairy operations were able to receive a payment for their loss through the cooperative's self-funded program. Three FarmFirst members were directly impacted by the derecho on August 11 in Benton County, Iowa and received in total more than \$40,000 for various damages that negatively impacted their

milk income.

"We never want to use benefits like these, but we certainly appreciate having them in situations like this," said Brian Schanbacher, dairy farmer in Newhall. "You never anticipate anything like this happening on your farm. Even six weeks later, it's still hard to comprehend."

When visiting these member farms six

***"It's amazing how certain buildings were damaged and yet others on our farm are practically untouched. All we can do is take it one day at a time. It's going to take longer than we'd like but we'll get there."***

weeks after the derecho took place, the damages on these farms is still jaw dropping.

Free-stall barns have the roofs completely ripped off, exposing cattle to the elements. A milking parlor has a portion of the roof missing, with metal and insulation hanging from the exposed roof. A silo that was recently filled with corn silage was lifted, causing the silo to break upon landing with its roof found two fields over. An older wooden barn is still standing and has its roof, while one side is missing more than half of the wall on its west side. Large scraps of metal were strewn everywhere. Pine trees were simply snapped in half. Yet, other buildings on the farm received no damage.

"Of our 40 calf hutches, we only found four of them on the farm," said Ron

Franck, dairy farmer in Newhall who had considerable damage to the buildings on his farm. "Thankfully, all the cattle, including the calves were found and still alive."

While no cattle died during the actual storm, a handful were showing signs of distress days later after clearly ingesting too much metal. Clean up and rebuilding was proving to be slow, as so

many were impacted in the area, not just three dairy farms. Volunteers have helped glean metal scraps from the fields. Pandemic-driven prices on wood have made rebuilding certain parts of the barns incredibly slow and costly, though steel roofs have become a clear preference when it comes to price and the timetable to complete. The two member farms that had to relocate their cattle are cautiously optimistic about being back milking on their farms by February.

"It's amazing how certain buildings were damaged and yet others on our farm are practically untouched," said Brian Schanbacher. "All we can do is take it one day at a time. It's going to take longer than we'd like but we'll get there."

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**BOARD OF DIRECTORS**

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**FarmFirst Benefit Pays Following Derecho**  
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A few days after the derecho took place, FarmFirst field representative, Bob Hodgson and District 6 director Bob Dietzel were on these farms, assessing the damages and providing some support. Less than six weeks later, Bob Dietzel was there once again, but this time with a disaster check in hand for each member impacted by the storm.



*Brian Schanbacher shows the damage done to his freestall barn as rebuilding is slowly underway.*

When traveling to the farms, Bob Dietzel remarked, "It's impossible to predict when a natural disaster will strike and how it will affect a member's farm. Clearly, this program that FarmFirst has in place to help support our members in their time of need has proven to be a very valuable and appreciated program over the years."



*Previously a freestall barn, Ron Franck was left with a nearly roof-less, open-air facility, exposing his cows to the elements following the derecho.*

Over the past year, FarmFirst's disaster benefits program has awarded more than \$81,000 in disaster payments for 13 different member farms. FarmFirst members are eligible for these payments through the cooperative's disaster benefits program, assisting against the loss of milk income caused by the death of a cow by either lightning or electrocution, the loss of electric power, loss due to fire, windstorm or collapsing snow covered roofs, or due to impassable roads due to snow or flooding. More information can be found at FarmFirst's website: [www.FarmFirstDairyCooperative.com](http://www.FarmFirstDairyCooperative.com).

At FarmFirst we strive to provide all members a unified voice in dairy policy, strong marketing opportunities and valued member services through trusted first-hand industry involvement and leadership. Our self-funded disaster program is just one of the many ways FarmFirst serves members like you every day.



*Ron Franck receives his disaster check from Director Bob Dietzel, with the collapsed barn from the derecho in the background.*

It was a busy September day for the three farmers we visited to deliver these checks. The derecho may have snapped some trees, ripped the roof off of their barns and made things quite complicated for several months, but their outlook on the future was focused and their dedication to their herds was more apparent than ever. FarmFirst couldn't be happier to help and support that vision for their future. 

visit us on  
**FarmFirstDairyCooperative.com**



## Coronavirus Food Assistance Program 2.0 Funds Now Available

The USDA announced on September 18 that an additional \$14 billion is now available through the Coronavirus Food Assistance Program (CFAP 2) for agricultural producers who continue to face market disruptions and associated costs because of COVID-19. Signup began on September 21 and will run through December 11, 2020.

Highlights of the so-called CFAP 2.0 include:

- A dairy payment amounting to \$1.20-per-hundredweight on a farm's production during the last nine months of 2020. Dairy payments will be based on actual milk production from April 1 to Aug. 31, 2020. Milk production for Sept. 1, 2020, to Dec. 31, 2020, will be estimated by FSA, using daily average production from the April-August base period of known production.
- 100% of the payment will be made once a farm's eligibility is determined, meaning there will be no 20% holdback as with earlier assistance.
- For dairy beef, producers are eligible for cattle inventory payment on bull calves and dairy steers, but not for breeding stock. The payment is \$55-per-head on eligible cattle in

inventory on a date between April and the end of August selected by the producer.

- Significantly, this round's payment limitation provision has been expanded to include trusts and estates for both rounds of CFAP payments, meaning those who were disadvantaged by restrictive trust-related payment interpretations in the first round will have their situation resolved for that round as well as in the latest tranche of aid. The application of direct attribution is also modified so payment limits won't be reduced based on ownership shares, providing more equitable support to dairy farmers of various ownership structures.

"FarmFirst encourages members to sign up for this latest round of CFAP funding, as we begin the fourth quarter of 2020. With markets remaining unpredictable, we encourage every farmer to make the most of the resources that are available," says Jeff Lyon, FarmFirst general manager.

Additional resources are available online at [www.FarmFirstDairyCooperative.com](http://www.FarmFirstDairyCooperative.com) assisting producers with an overview of CFAP payments that are available for dairy farmers in addition to relevant application resources. 

## China, Russia & WTO: Ensuring Beneficial Dairy Trade Relationships



### Calling for More China Dairy Purchases

A letter was sent to U.S. Trade Representative Robert Lighthizer by the National Milk Producers Federation and U.S. Dairy Export Council on September 24, urging the U.S. government

to continue pushing China to purchase more U.S. dairy products as part of the phase 1 deal the nations reached in January. In mid-September, it was welcomed news that China extended by 12 months a waiver of new, higher tariffs for U.S. whey exports.

The letter indicates that while China's whey purchases have grown in 2020, it is lagging in buying the full spectrum of U.S. dairy products. In particular, the U.S. remains under-represented among China's sources of cheese, skim milk powder and whole milk powder. The disadvantage U.S. processors face due to retaliatory tariffs is allowing U.S. competitors to further build their market shares at our expense.

### Urging U.S. Government to Remain Committed to WTO

Agriculture presented a strong showing of support for the importance of trade to agriculture in a letter urging the Trump administration and Congress to remain in the World Trade Organization. The letter was addressed to U.S. Trade Representative Robert Lighthizer and key

members of Congress and asked that the U.S. not to give up on the WTO, but rather to pursue reforms that strengthen the rules of the global trading system.

The Trump Administration has not been keen on the WTO, and while the letter acknowledged the current system's flaws and the need for improvements, it also pointed out that turning back from a means to facilitate international trade would be damaging to dairy and other sectors of agriculture.

### NMPF Again Raises Objections to Russian Dairy Import Ban

Five years have passed since Russia severely restricted dairy imports from many nations, including the U.S., and the loss of that market continues to reverberate in many countries. In comments filed with the U.S. Trade Representative, NMPF and USDEC reiterated concerns that Russia is not in compliance with its WTO obligations and is harming U.S. dairy exporters with its restrictions. Moscow implemented the ban in 2014 in response to U.S. sanctions on Russia for its invasion of Ukraine. The ban impacted U.S. dairy exports to many other markets, by forcing a shift of dairy supplies from the EU into other countries, where those products contributed to increased competition - a situation that continues today.

Prior to closing off our imports, Russia was an increasingly important market for U.S. dairy exports, which rose in value more than 1,600% over the period of 2006-2010. 



### “Got Milk?” Campaign Makes Splash with Viral Video

A revival of the dairy industry’s extremely successful and widely-recognized “Got Milk?” campaign kicked off in early August, featuring Olympic gold medalist and world champion swimmer, Katie Ledecky.

“I thought it would be fun to see if I could swim a lap with the chocolate milk on my head and it was a success,” Ledecky says. “I tried it out and the video that I posted was my very first

take with the milk. I tried it a few times before, but without the milk just to be safe.”

“I’ve been drinking chocolate milk since I was 13 and I’ve partnered with milk over the last couple of years and they told me that they were relaunching their got milk campaign. I was so excited and honored to be a part of it,” Ledecky says. Ledecky teamed up with the crew at the Milk Processor Education Program of dairy checkoff for the ‘Got Milk?’ campaign revival. 

## Get to Know Your Board: John Rettler of Neosho, Wis. - District 3 Director



**Name:** John Rettler  
**Location:** Neosho, Wis.  
**First Joined the Board:** 2008

#### Tell us more about your dairy farm.

My wife, Joann, and I along with our four sons operate our dairy farm, Tin Valley Farms. Three of our sons, Justin, Quintin, and Paytin, currently work full-time on the dairy, while our son Austin helps during the evenings and weekends. The farm was originally purchased in 1998 and a free stall barn was built in 2015. In 2017, four Lely milking robots were added to the facility to reduce the need for additional labor and provide flexibility for the youngest generation on the farm. A classroom was also built for guests to oversee the cows in the barn. In addition to managing our farmland, we also do custom fieldwork on additional 1,100 acres. Recently, we have started selling cheese made from our milk using under our farm’s brand, Tin Valley Farms.

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

I have been a long-time member of the cooperative, beginning back in 1999 when I first started shipping milk with Family Dairies USA. I joined the board nine years later and was on the board at the time of the merger between Family Dairies USA, Manitowoc Milk Producers Cooperative and Milwaukee Cooperative of Milk Producers back in 2013. Since then and through to today, I believe that FarmFirst Dairy Cooperative has always focused on its members and places value on the cooperative’s grassroots leadership. To me, that is evident in the member programs that are offered, from the disaster benefits, the number of scholarships offered, to farmers like myself having a voice in Washington, D.C. I have always said that the organization feels small enough to know you as a producer, yet big enough to provide a valuable service to all its members.

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

I wanted to learn more about the cooperative and the decisions that we’re making that might impact me and my farm. I was eager to learn more, especially from a milk pricing perspective, so I took the opportunity to step up into the director role. I felt it was important for me to be a voice for what I value and to advocate for the future of dairy farming.

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

From my experience, there’s not just one thing you hope to achieve while on the board as you’re constantly trying to better the cooperative, which is a never-ending job. We are always seeking to do better and to provide better programs and opportunities for our members. I believe there is always something you can do to keep improving.

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

Several policy issues are important to me, but youth education and supporting the youngest generation in dairy farming are some of my top priorities. From my experience hosting school tours, I know there is a lot non-ag people – kids and adults – do not understand or know about dairy farming. For agriculture to thrive in the future, I believe the community needs to be engaged with their local farmers and that everybody, from consumers to politicians to teachers will need to know they can ask their local farmer about where their food comes from and the care it received before it arrived to the grocery store.

Looking to the future, I hope that I am building a strong foundation for my sons to be able to successfully farm long into the future so that the next generation will have the option available to them as well. My focus has shifted in the last several years from ensuring all the work is done to ensuring my sons understand why things are done as they are and have the opportunity to learn so that they can do it better than what we’re doing now. 

# FarmFirst Transitions Annual District Member Meetings to Virtual Format



*The FarmFirst Dairy Cooperative board of directors made the tough*

*decision to move it's district member meetings from 17 in-person meetings throughout its seven state membership region to a single-day virtual format due to concerns and uncertainties surrounding the COVID-19 pandemic. The virtual meeting will be on Wednesday, December 2, 2020.*

"Our cooperative's district member meetings have always been a great opportunity for members to gather, enjoy a wonderful meal, receive updates on cooperative programs, services, and advocacy efforts, and speak directly with cooperative leaders," says John Rettler, dairy farmer from Neosho, Wis. and president of FarmFirst Dairy Cooperative. "This decision was not easy because the board would like nothing more than to meet with our members, especially after the challenging year we've all experienced. While the experience will be much different this year, we hope that our members will take the time to join us virtually on December 2."

Similar to past district meetings, members will be provided with a year in review of the cooperative's accomplishments and program updates. In addition, there will be time for members to discuss potential resolutions to the cooperative's public policy.

Elections for board of director positions, District & Resolution Committee members and delegates will be conducted by a mail-in ballot only and will be sent in early November. Members will receive reports from the staff that lead the Family Dairies and Fox Valley Quality Control Lab divisions, respectively.

National Milk Producers Federation President and CEO, Jim Mulhern, will also join virtually for a real-time update on dairy policy, trade and other issues being discussed and acted on in Washington, D.C.

"Although we've had to change our format to due to myriad of challenges due to social distancing and size limits for public events, we are excited to conduct our meeting virtually as it may provide more opportunity for more of our members to participate and learn more about their cooperative," says Jeff Lyon, general manager for FarmFirst. "By holding a virtual meeting our cooperative leaders and national policy leaders can speak directly to our members and at the same time we can be respectful of members' time."

Members are encouraged to sign up to be notified of when to register for the virtual district meeting by visiting [www.FarmFirstDairyCooperative.com](http://www.FarmFirstDairyCooperative.com). Election ballots and more information will be sent to members leading up to the virtual meeting on December 2. .

## Correction - Dairy is not at a 56-year high. It's at a 60-year high.

*As Featured in the National Milk Producers Federation's Dairy Defined*

One year ago, Dairy Defined debuted with a simple piece of myth-busting, noting that, for all the vegan-activist-inspired dreams of the "death of dairy," dairy products are growing only more popular, with U.S. per-capita consumption at a 56-year high. This information is now out of date.

U.S. per capita dairy consumption is no longer at a 56-year high. It's at a 60-year high.

Increases in cheese and butter use last year pushed per-capita U.S. dairy to its most popular year since 1960 - a high of 653 pounds per person. (People ate a little more ice cream too, but not thaaatt much more. Nothing to feel guilty about. Really.) The trend since 1975 reveals when declining consumption stabilized and began to rise.

Yes, fluid-milk consumption dropped a little bit, and that's always what dairy opponents like to cite when they talk about "decline." Much of that decline, as we've noted, has to do with the rise of bottled water sales, not fake milk. But other dairy products more than offset the small fluid loss, with butter demand at its highest in more than five decades and cheese reaching another record, doubling its per-capita consumption from its levels during (speaking of cheese) the days of disco.

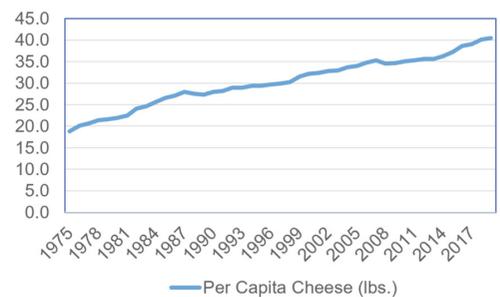
Even the fluid-milk numbers had its positives — whole milk consumption, for example, continued to rise, proving again that

consumers are continually discovering that the more their milk tastes like milk, the more they like it. It's worth noting that because

these numbers are from 2019, aka Year 1 P.C. (Pre-COVID), it's too early to tell how the pandemic will affect numbers next year. Restaurant and school disruptions have been a struggle that's caused hardship for dairy producers. But robust retail sales bode well for the future, as did the emphatic vote of confidence dairy received from consumers when crisis set in.

Raise a glass to another milestone year in dairy demand. At Dairy Defined, the work of refuting the "death of dairy" is feeling a little bit easier than a year ago, though doing so remains as satisfying as ever, knowing that sometimes, actual facts still can carry the day. But the work is never done, as new myths inevitably arise. We look forward to dispelling them.

**Cheese: Make It a Double**



# AUGUST 2020

| Order Name and Number                          | UPPER MIDWEST | CENTRAL     | MIDEAST       |       |
|------------------------------------------------|---------------|-------------|---------------|-------|
|                                                | Order 30      | Order 32    | Order 33      |       |
| Producer Milk (lbs.)                           | 1,090,671,555 | 864,285,625 | 1,350,681,684 |       |
| Producer Price Differential @ base zone        | \$ -2.06      | \$ -3.62    | \$ -2.93      |       |
| Statistical Uniform Price/cwt @ 3.5% BF*       | \$ 17.71      | \$ 16.15    | \$ 16.84      |       |
| Class I Price/cwt                              | \$ 21.58      | \$ 21.78    | \$ 21.78      |       |
| Class II Price/cwt                             | \$ 13.27      | \$ 13.27    | \$ 13.27      |       |
| Class III Price/cwt                            | \$ 19.77      | \$ 19.77    | \$ 19.77      |       |
| Class IV Price/cwt                             | \$ 12.53      | \$ 12.53    | \$ 12.53      |       |
| <b>Component Prices &amp; Test Avg. % aves</b> |               |             |               |       |
| Butterfat/lb.                                  | \$ 1.6275     | 3.79%       | 3.73%         | 3.74% |
| Protein/lb.                                    | \$ 4.4394     | 3.03%       | 3.09%         | 3.06% |
| Other Solids/lb.                               | \$ 0.13870    | 5.78%       | 5.78%         | 5.74% |
| SCC Adjust Rate/1000                           | \$ 0.00105    |             |               |       |
| <b>Producer Milk Classified %</b>              |               |             |               |       |
| Class I                                        | 18.60%        | 42.91%      | 40.70%        |       |
| Class II                                       | 18.50%        | 17.14%      | 30.80%        |       |
| Class III                                      | 48.50%        | 3.13%       | 10.40%        |       |
| Class IV                                       | 14.40%        | 36.82%      | 18.10%        |       |
|                                                | 100.00%       | 100.00%     | 100.00%       |       |



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## Look Inside for more information on FarmFirst's District Meetings - Going Virtual!

### 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.

*Vaughn Wicks*

*Vicky Adams*

*Erin & Rhett Jaquish*

*Nicholas or Melissa Kunze*

*Timothy or Twila Martin*

*Wilson or Lillian Brubacker*

*Jason & Elaine Nolt*

*Leslie Jagodzinski*

*Jason Jandrin*

*Mike Shallow*

*Allen & Karen Swoboda*

*Reuben & Roseanna Zimmerman*

*Reuben & Katie Kuhns*

*Paul Wallace*

*Adam Schumacher*

*Travis Paiser*

*Jeff Bosma*

*Allen Ertl*

*Dylan Kraus*

*Jake Kraus*

*William Kolb*

*Patrick Nikolay*