

MILKLINE

NEWSLETTER



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2021: "My Glass Is 3/4 Full"



A new year is always a source for optimism and hope that next 365 days are going to be better than the last. After last year, many of us are saying "how can 2021 be any worse?" with all the trials and tribulations we faced in 2020.

Many of us make resolutions to improve our personal and professional lives. The challenge has always been is how long will we stick to our resolutions.

Those of you that know me, know that I am generally "a 3/4 glass full" kind of guy. That way when I run into "glass 1/2 empty" type of person, together we still are overflowing with optimism.

As 2021 gets underway, there is hope and optimism that the companies producing COVID-19 vaccines will be able to maximize production and we will have a supply chain and distribution system in place so we can quickly get

our essential workers (including those of us involved in food production) and everyone else vaccinated. We need businesses, like restaurants, schools and any other place that serves food to be 100 percent open since half of the cheese made in the U.S. and 60% of the butter is sold through foodservice and other 'away from home' outlets.

But until then, we need to remember that we are still in the pandemic and that the milk and dairy markets will continue to be affected by state restrictions on the number of people allowed to gather at public venues and private businesses like restaurants. Further, nationwide we have seen increases in production and cow numbers over the last few months. If this trend continues, we could be in a similar predicament with respect to milk volumes and prices as last spring. As far as personal resolutions go, right now might be a good time for you to contact ARM Services LLC, an agricultural risk management company that FarmFirst is partnering with to see how you can better protect your milk income in 2021. (Look for more information on ARM Services LLC and our Risk Management webinar in this issue of MilkLine.)


In addition to the pandemic, we had a spirited and intense Presidential election that had the attention of everyone in the U.S. and most of the world. There were strong opinions voiced on the future direction of the country. Like most of you that have voted many in local, state, or federal elections, sometimes my

candidate has won and other times they have been on the losing side. Whatever the outcome, it has been my philosophy to simply roll up my sleeves and get to work advocating for policies that will benefit the people I work for with the people that were elected. I have been around long enough to know that the

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Official Notice: FarmFirst Dairy Cooperative 9th Annual Member Meeting

Notice is hereby given, by the President and Secretary of FarmFirst Dairy Cooperative, a regional cooperative with headquarters in Madison, Wisconsin (the "Cooperative"), pursuant to the Cooperative's Articles of Incorporation and Bylaws and proper actions of the Board of Directors of the Cooperative (the "Board"), that the regular Annual Delegate Member Meeting of the Cooperative will convene at 11:00 a.m., Friday, February 12, 2021 virtually via Zoom Video Conferencing for and in consideration of action upon any and all matters which may lawfully come before said meeting.

Said meeting will continue until the disposition of all proper business. Dated this 15th day of January, 2021, by: John Rettler, President. 

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.

BOARD OF DIRECTORS

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

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

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Faribault, Minn. 507-332-2870

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

Young Cooperator Rep: Travis Clark
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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

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2021: "My Glass Is 3/4 Full"

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pendulum swings back and forth over time. The key to success for the agriculture industry is to maintain a strong presence and be a respected voice at the table with long-time elected officials and those that have just joined the conversation.

With a new President and a new Congress, political dynamics and legislative priorities will change. Will it be good for agriculture? I do not know, but it is time for FarmFirst and our partners in Washington D.C. to make sure that our elected officials know the challenges facing the dairy industry and to get things done. Fortunately, agriculture and dairy issues are generally bipartisan in nature.




In 2020, FarmFirst was successful in stating our case about the hardship the pandemic was causing and we were pleased that Congress and the Trump Administration provided direct assistance to dairy farmers and authorized government purchases of dairy products for distribution to those in need. The recent announcement of \$1.5 billion to be spent on the fifth round of the Farmers to Families Food Box Program gave the dairy markets a real boost. Depending upon how long the pandemic continues, we will most likely be back at the table defending and advocating for you as you manage your dairy operation through these challenging economic times.

Still, I am optimistic that in 2021, we can build off the progress we made with trade agreements, get FDA to enforce their labeling regulations for plant-based fake dairy products, and have USDA, when finalizing their new dietary guidelines, recognize that recent science indicates that milk and dairy products are part of a healthy diet, among other dairy issues. Further, we need to begin our advocacy for the next Farm Bill to make sure policies are in place that will benefit dairy farmers and your rural communities.

As for my resolutions related to FarmFirst, be assured that I will continue to lobby for public and private solutions and partner with like-minded individuals, organizations and businesses that are interested in and are able to help in your success.

A new year always brings optimism along with some not-so-nice carryover. This sense of optimism paired with hard work and persistence in advocating for you will prove to be beneficial.


All the best to you and your families in 2021. 

Article by Jeff Lyon,
FarmFirst Dairy Cooperative

2021 Scholarship Application 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. 

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FarmFirstDairyCooperative.com



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Dairy Wins Key Provisions in Latest COVID-19 Law



Dairy farmers secured significant gains in 2020's final major piece of legislation – a long-awaited COVID-19 stimulus and government funding bill that yielded key wins for dairy stakeholders. The additional

assistance to the dairy economy came on top of more than \$5 billion in funds already secured for milk producers in large part because of the close work of industry leaders and allies, including NMPF.

Highlights of the package include:

A Dairy Donation Program – \$400 million for a new NMPF-backed Dairy Donation Program open to all producers to help dairy stakeholders and non-profits work together to provide dairy products to food-insecure households and minimize food waste.

Flexibility on payment limits – Dedicated funding to allow USDA to provide additional compensation to producers who were unable to receive the full support they needed under the Coronavirus Food Assistance Program on account of payment limitations.

Supplemental DMC payments – Supplemental Dairy Margin Coverage payments for farms that have increased their DMC production history since 2014. These payments will be based on the difference between the farm's 2019 actual production and

its DMC production history. While the provision is targeted to smaller operations, it will enhance the farm bill baseline for all dairy farmers as it runs concurrently with DMC up to 2023. FarmFirst applauds this development on updating production history, as many members are impacted by an outdated production history. Whether the milking herd was expanded or production practices improved, FarmFirst believes that an accurate and up-to-date production history should be used in the DMC formula.

Paycheck Protection Program improvements – The bipartisan, NMPF-backed Paycheck Protection for Producers Act was included in the bill. The initiative would make the Paycheck Protection Program work better for sole-proprietor, independent contractor, and self-employed dairy farmers by allowing them to use their 2019 gross income to determine their PPP loan amounts.

Dairy producers will also be eligible for support in the \$11 billion agricultural disaster assistance package Congress has included in the legislation, with additional details expected in coming days. Of note, at least \$1.5 billion of this package is dedicated to additional product purchases. USDA has announced a fifth round of the Farmers to Families Food Box program using this funding. FarmFirst will work eagerly through our representatives in D.C., including the Midwest Dairy Coalition and the National Milk Producers Federation, to ensure implementation of this package as well as on subsequent rounds of relief. 🇺🇸

Dietary Guidelines Reaffirm Dairy's Nutritional Benefits; Fats Review Urged

The dairy industry praised USDA and HHS for its work on the 2020-2025 Dietary Guidelines for Americans (DGA) released in early January, which reaffirmed dairy's central role in diet as a provider of essential nutrients that are often under-consumed in American diets. The guidelines culminate nearly two years of work that began in 2019 with the selection of the Scientific Advisory Committee.

The latest update to the guidelines restates dairy's importance to diet. Highlights include:

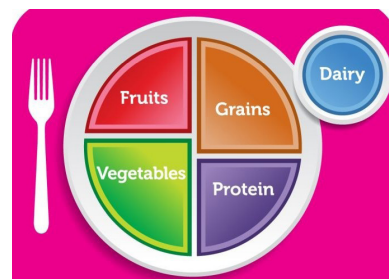
- A recommendation of three servings of dairy, in keeping with past guidelines
- Dairy's continued recognition as a distinct food group
- A recognition that Americans aren't consuming enough dairy to meet their nutritional needs
- Dairy's reaffirmation as a source of four nutrients of public health concern, including potassium, calcium, and vitamin D, as well as iodine for pregnant women.
- A recommendation of milk, yogurt, and cheese in the first-ever healthy eating patterns geared toward infants and toddlers ages birth to 24 months

The Dietary Guidelines for Americans have significant implications for numerous government policy areas, including guiding the types of milk served in school meal programs and setting the parameters for how nutrition programs are implemented and developed.

FarmFirst also pledges to continue efforts to broaden consideration of the latest science on dairy fats in the next examination of the federal guidelines, which are released twice each decade.

"We applaud the work of the USDA and HHS in reviewing the science that ultimately supports the Federal dietary guidelines. It is no easy task to review the research to ensure that the latest and best science is being used. Dairy continues to hold its place, and we

appreciate their recognition of dairy foods as part of a healthy, nutritious lifestyle," says Jeff Lyon, FarmFirst General Manager. "However, the positive role that dairy fats play in a healthy lifestyle continues to be missing from this most recent update. Our work will continue in advocating for this piece to be included and recognized within federal programs the positive role that dairy fats play." 🇺🇸



Improved Farmer Access to Small Business Support as PPP Reopens

Farmers who run their operations as sole proprietors, independent contractors, or otherwise self-employed individuals now have newly expanded access to the Paycheck Protection Program (PPP) under changes made in the COVID stimulus package Congress approved last month.

Producers who were denied PPP loans or whose loan amounts did not consider self-employment compensation may now be eligible for the vital federal small business support. Those wanting to apply for a PPP loan should contact lenders directly for more information on when PPP will be open for that specific lender.

Congress created PPP in the CARES Act in March of 2020 to help American small businesses keep employees during the coronavirus pandemic. Still, the program's emphasis on payroll raised inadvertent yet sizable challenges for many farmers who do not issue structured payroll -- namely those operating as sole proprietors, independent contractors, or self-employed producers who file a Schedule F with their 1040 income tax form. The program's loan application required such producers to use their net farm profit amount from their Schedule F tax form as a stand-in for their self-employment compensation when applying for a PPP loan. However, many farmers filed a zero or negative net farm profit on their 2019 tax forms, effectually making them ineligible for the small business support.

The coronavirus relief measure enacted in December incorporated key provisions from the Paycheck Protection for Producers Act, securing for these farmers increased access to the low-interest, forgivable loans.

All farmers who file a Schedule F can apply or reapply for a PPP loan under the new rules once the program reopens. In general, agricultural producers and co-ops with 500 or fewer employees, including employees of businesses with which they have an affiliation, are eligible. Alternative size standards may qualify larger businesses, and interested larger borrowers are encouraged to explore options with lenders and/or their accountants. The Small Business Administration announced PPP would reopen in multiple stages beginning the week of January 11. 🇺🇸



Director and D&R Election Results

During our fall member elections, several districts were open for a seat as a Director on the Board and as a member of the Districting & Resolutions Committee. Below are those individuals that were elected in their districts:

Board of Directors:

District 2 - Dan Vandertie
District 4 - Wayne Gajewski
District 9 - Kathy Bauer

D&R Committee:

District 2 - Jim Smidel
District 4 - David Hannemann
District 6 - Jerry Hammerand
District 8 - Dan Kowalczyk

Delegates & Alternates Elected for 9th Annual Meeting

All members had an opportunity to nominate, and then vote for fellow members to serve as delegates or alternates to the upcoming 9th Annual Meeting of FarmFirst Dairy Cooperative being held on February 12. Due to the ongoing concerns surrounding the COVID-19 pandemic, the two-day in-person annual meeting transitioned to a virtual format. During the business meeting, these individuals will review resolutions and any proposed bylaws, and provide feedback and direction to cooperative leadership. The following members were elected in their respective districts:

District 1: *Randy Erickson, Henry Granskog, Bob Hanchek, Kevin Hoewisch, Dave Johnson, Bruce Long, Charlie Meintz, Scott Mellgren, Terry Perttula, Damian Ullmer, David Wagner*

District 2: *Russell Braun, T.J. Haelfrisch, Eugene Hansen, John Kunde, Mark Leichtfuss, Andy Meyer, Jim Smidel*

District 3: *Loron Bock, Travis Clark, Ronald Griebenow, Robin Krueger, Peter Martin, Mike Paulus, Tony Schmitz, Earl Van Ruiswijk, Nathan Wiese*

District 4: *Tom Bunkelman, Travis Dehnel, David Hannemann, James Juedes, Keith Kreager, Will Litzer, Jeff Osborn, Roy Reihle, Steve Roets, Zach Stoflet, Julie Stowe, John Swenson, Frank Wirkus*

District 5: *Tom Bauer, Will Beitlich, Lawrence Durst, Jackie Hoffman, Stephanie Hughes, Sharon Laubscher, Peter Mallek, Peggy Pankratz, John Salzman, Abby Swan, Mike Yager*

District 6: *Mark Decker, Brian Dinderman, Doug Droessler, Jerry Hammerand, Mike Kempfer, Terry Kieler, Pat Leonard, Glen Meier, Kurt Schmitt, Becky Wellnitz*

District 7: *Donald Bangart, Paul Fischer, Dean Hoesly, Holly Lindner, Mitch Malm, Allen Mayer, Randy Meyer, Michelle Popp, Dean Schmelzer, Tom Shafto*

District 8: *Doug Danielson, John Goebel III, Dan Holub, Cliff Keepers, Gary Kohn, Mary Muska, George Polzin, Donald Schesel, Tyler Seibel*

District 9: *Allen Blommel, Riley Boadwine, Anne Borgschatz, Joe Bragger, Bernard Manderfeld, Larry Mellgren, Joe Ritter, Richard Rosen, Keith Welgraven* 🇺🇸

The Rise & Fall of the Milk Markets



What will the coming 12-18 months bring in the world of milk markets? Does anyone really know? And if they claim to know, can they give you an explanation that is understandable?

ARM Services will not tell you we know what the markets

are going to do. We can't predict the markets, and neither can anyone else. It is important to keep this in mind as you make decisions in the coming months on marketing your milk. Our philosophy is that it's best to work with someone who has a well laid out plan that will provide bigger, long-term rewards than working with any "self-proclaimed, so called expert" of the industry.

In recapping 2020, I don't think anyone understands it better than dairy men and women. We saw markets come crashing down in March, April, and May only to have new highs set when the coronavirus aid package was rolled out. This too brought stress as we didn't know when the aid would run out or if another round would come. That uncertainty and stress returned through the end of 2020 as another aid package was debated.

How often have you read an article or talked to one of those experts in the market and all they do is throw numbers, percentages, and purchasing statistics at you? Do you really understand what they are saying? Do these numbers matter? Numbers do matter, but we believe the market is at an equilibrium and encompass all numbers, percentages, and statistics. Even more, we think the market has emotion built into it. When is the market most affected, in the early months or in the later months? In most cases the market has already reacted to the news and events before we learn about them.

Similarly, how often have you heard these acronyms; DMC, DRP, LGM? Do you truly understand how they work? Do you understand which one is best? We hear statements like, "lets

protect our downside risk while leaving the top open." Is that what is really happening in your marketing plan or are you also looking at puts and calls? If so, please be careful. In working with dairies in several states, we have heard time and time again "we didn't really understand it, so we did this." I can assure you that if we could have 20 minutes of your time, we can give you a solid understanding of these products. We can help you avoid the margin calls, averaging, and emotions.

We have seen firsthand what can happen when there isn't a sound plan in place. It is hard to make decisions when the milk price is rapidly falling and then sharply rises in the next month. A lot of emotional decisions were made in 2020. We have developed a well-studied plan, using the appropriate tool at the right time, that can help you through these times and take the emotion out of these decisions.

It is hard to project where the markets are going in the coming 12-18 months. There will be a lot of outside factors that are beyond anyone's control. It is because of this we find it more important than ever for dairy men and women to set up a marketing plan with someone who puts your business in front of theirs. Setting up a marketing plan is the beginning. Having confidence and receiving the guidance to follow through is just as important. ARM Services wants to partner with you to build a long-term relationship, understand your goals, and help ensure greater success for you and your dairy in 2021 and beyond.



Call Travis Glaser at ARM Services to learn more: 715-456-5607

FarmFirst leadership saw a need to connect members with experts in dairy risk management and chose to work with ARM Services LLC because of their reputation and the fact that they are a Wisconsin-based company doing business all over the Upper Midwest. Whether you are wrapping your head around risk management for the first time or asking questions about a new strategy, we are confident that ARM Services can answer your questions and build a plan that works to meet your goals. 🤖

Register for FarmFirst's Dairy Risk Management Webinar - Tuesday, Jan. 26 at 11:30 a.m.



FarmFirst is hosting a free dairy risk management webinar to dairy farmers on Tuesday, January 26 at 11:30 a.m. The hour-long webinar will feature University of Wisconsin-Madison dairy economist Mark Stephenson, who will provide a dairy pricing forecast for 2021, and Travis Glaser with ARM Services will share his

outlook on the year ahead, his recommendations on what you can do to reduce price volatility, what has worked well for dairy farmers in recent years, and what dairy farmers starting out need to consider.

Register at www.FarmFirstDairyCooperative.com.

FarmFirst is providing this free, educational webinar to provide dairy farmers with an opportunity to foster discussion on dairy risk management options they haven't fully explored - and should - as we begin 2021. 🤖

NOVEMBER 2020

	UPPER MIDWEST	CENTRAL	MIDEAST
Order Name and Number	Order 30	Order 32	Order 33
Producer Milk (lbs.)	895,620,962	881,249,664	1,248,600,701
Producer Price Differential @ base zone	\$ -5.43	\$ -8.50	\$ -7.40
Statistical Uniform Price/cwt @ 3.5% BF*	\$ 17.91	\$ 14.84	\$ 15.94
Class I Price/cwt	\$ 19.84	\$ 20.04	\$ 20.04
Class II Price/cwt	\$ 13.86	\$ 13.86	\$ 13.86
Class III Price/cwt	\$ 23.34	\$ 23.34	\$ 23.34
Class IV Price/cwt	\$ 13.30	\$ 13.30	\$ 13.30
Component Prices & Test Avg. % aves			
Butterfat/lb.	\$ 1.5553	4.09%	4.06%
Protein/lb.	\$ 5.6226	3.23%	3.32%
Other Solids/lb.	\$ 0.18940	5.77%	5.78%
SCC Adjust Rate/1000	\$ 0.00123		5.77%
Producer Milk Classified %			
Class I	23.80%	44.02%	46.10%
Class II	19.30%	14.51%	24.50%
Class III	37.10%	3.42%	7.50%
Class IV	19.80%	38.05%	21.90%
	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.

<i>Kory Berlin</i>	<i>Russell Buetzer</i>
<i>Jamie & Chris Hartleben</i>	<i>Dan Haldiman</i>
<i>Dan & Rick Reuter</i>	<i>Delbert & Vicky Denure</i>
<i>Jason & Katrina Julian</i>	<i>David Cappaert</i>
<i>Kendell Zemple</i>	<i>Mark Mueller</i>
<i>Simone Borntreger</i>	<i>Mark & Janita High</i>
<i>Peter Witterholt</i>	<i>Samuel & Susie Miller</i>
<i>Larry Buetzer</i>	<i>Paul Jr. & Ella Mae Nolt</i>



You're Invited!

FarmFirst's Member Appreciation Breakfast
Thursday, March 25 at The Crooked Pint

(located within the Holiday Inn) 2040 W. Russell Street, Sioux Falls, SD.

Hot Breakfast Available from 7:00 a.m. - 9:00 a.m.

Visit with General Manager Jeff Lyon & Field Rep. Betty Lund to learn more about FarmFirst programs and opportunities.

Members also receive free FarmFirst Apparel!

Make your reservations today!

Reservations allow for a more accurate meal count.

Call Betty at 715-491-9119.