

# MILKLINE

## NEWSLETTER



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## Bridging the Digital Divide



We learned a lot of things during the pandemic and for many of us it was the need for high-speed internet to conduct business, go to school, and to see and visit with family and friends. Improving rural broadband has been a topic of discussion for far too long among policymakers, but it was this past year that made it painstakingly obvious how deep the digital divide is across America.

Well-maintained roads and bridges have always been a priority for agriculture. After all, it is how we get what we produce on our farms to consumers. But now, just as important for the vitality of our rural communities and farms is broadband that is high speed and affordable.

In the spring of last year, home became the new classroom. Yet, for many others, having the car parked outside the closed library became the new

classroom since their internet at home was just too slow or could not handle more than one device being connected at a time. This past school year was different for many school districts, and whether students were at home virtually learning by their choice or not, the challenges they faced due to poor internet connectivity are vast. Moving forward, we need to make sure our children have acceptable broadband so they can do their homework when they get home from school.

As farmers, you want to adopt technologies that will improve your bottom line. Many of these technologies like precision farming require broadband connections for data collection and analysis. Embracing new technology allows you to improve on your efficiency and be more sustainable than you already are.

Unfortunately, 25% of U.S. farms have no access to the internet according to the USDA (NASS Survey, conducted in August 2019). And for many that do have access, the internet is painfully slow and costly to upgrade to higher speeds, making it a burden to use and not universally available to rural residents. According to the Federal Communications Commission (FCC), more than 30 million Americans live in areas where there is no broadband infrastructure that provides minimally acceptable speeds, representing 35% of rural Americans.

Acceptable speeds are important, but so is the cost. Anyone living in rural areas looking to increase their internet

bandwidth are faced with incredible costs, where their rates at high speeds are occasionally several times higher than what their urban counterparts are offered.

Expanding and improving rural broadband is necessary to improve the quality of life for all rural residents. We learned that a lot can be done virtually through expanded services to health care, government programs, and educational and business opportunities.

Whether the business is on the farm or a small specialty shop in town, increasing the value of any business in the rural community provides a greater return through their support and employment of others in the community. Shouldn't rural residents have the same opportunities as those in our urban areas?

Your cooperative quickly learned that virtual meetings can be useful to accomplish much of the business of the cooperative. And, while we far prefer in-person meetings because they provide a different dynamic, we know going forward that virtual meetings are part of our future, but our members need to have sufficient internet services.

Right now, in Washington D.C., the word "infrastructure" is being tossed around and it has a lot of connotations. In our rural communities, it means good, well-maintained roads and bridges but also broadband that will allow for you to thrive. 🐮

*Article by Julie Sweney  
 FarmFirst Dairy Cooperative*

Dedicated to serving and representing you, our family farm members, FarmFirst Dairy Cooperative represents farms in Wisconsin, Minnesota, South Dakota, Michigan, Iowa, Illinois and Indiana through policy advocacy, dairy marketing services, laboratory testing opportunities and industry promotion.

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## District 5 Director, Jean Reisinger, Turns the Page Onto a New Chapter

*Reisinger's Sold Their Cows on March 12, Marking Her Board Retirement*



Jean Reisinger and her husband, Jim, owners of Reisinger Hilltop Farms in Spring Green, Wis. sold their milking herd of Holsteins on March 12, marking her retirement from FarmFirst's board of directors. The Reisinger's were members since 1976, the year they were married.

In 2018, Jean was elected as a director representing members in District 5. During her tenure on the board, Jean was a vocal advocate for expanding dairy options into schools, sharing dairy's sustainability story and enforcing the


definition of common dairy terms, such as 'milk', 'cheese', and 'yogurt' on labels. In addition to her passions on the board, Jean was a strong advocate for giving children the opportunity to experience a dairy farm to better understand where their food comes from. She often worked with the local school to share her farm's story by hosting farm tours on their dairy for children and adults alike, with many children getting the chance to milk their first cow.

"I have learned so much in my short time on the FarmFirst board, and I cannot emphasize enough how much of a presence dairy farmers have in national discussions through FarmFirst's involvement on federal issues. The top-notch staff and board members truly are dedicated to protecting the future of this industry, and their dedication to farmers being involved is so important and essential to any policy conversation," says Jean.

While the milking cows are gone, there is still lots of activity on the hilltop farm as their family remains very active in agriculture by raising replacement heifers, calves, and their own beef herd. They will cash crop and market corn, hay and beans. Daughter, Malia, and grandson, Steven, have been very involved on the farm and will continue to be in this new chapter, helping feed the animals and work in the fields. Jim's latest hobby of beekeeping will also have a chance to grow, with the help of his son, Brian, as he expands his market for selling 'Jim's Hilltop Honey.'



"We are still operating as a family farm. While we were sad to see our dairy cows go, we are looking forward to this new chapter for our family and our farm," says Jean.

FarmFirst Dairy Cooperative would like to thank Jean for her passion, knowledge and advocacy during her service as a director. During their April meeting, the FarmFirst board of directors decided that since the board seat was up for election this fall, the District 5 seat would remain open until member elections take place in November. District 5 includes Wisconsin Counties of Adams, Crawford, Green Lake, Iowa, Juneau, Marquette, Portage, Richland, Sauk, Vernon and Wood. Members interested in being a candidate and learning more about the responsibilities, expectations and time commitment of a board member are encouraged to contact the FarmFirst office. 



*With their adult children Brian and Malia, and soon-to-be four grandchildren, the Sauk County farm continues to operate over 100 years after it was homesteaded by Jim's grandfather in 1912.*

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# USDA Food Box Program to be Replaced by Other Donation Efforts, Including Dairy Donations Program



The USDA officially shelved the Farmers to Families Food Box program in mid-April, announcing that the current, fifth round will be the last. During a congressional hearing, Ag Secretary Tom Vilsack said that the USDA will seek other, better

ways to both feed the food insecure and purchase commodities, including dairy products. This includes utilizing previously existing food procurement programs, as well as implementing the new Dairy Donation Program created by Congress at the end of 2020.

More than 163 million boxes have been delivered after the program was launched in the spring of 2020 as a response to the pandemic.

Vilsack told the House Agriculture Appropriations Subcommittee that the Food Box program's high administrative costs and accounting and logistical challenges prompted the agency to seek other approaches to delivering food products to nutrition-insecure Americans. USDA plans to purchase dairy products through multiple programs, including Section 32 and The Emergency Food Assistance Program (TEFAP). Industry groups including FarmFirst have expressed concerns to the USDA about the need to maintain a focus on dairy products, particularly with the goal of achieving a better balance between butter and cheese purchases.

As the USDA ended the Food Box program, the Department issued an advance notice of the minimum provisions to be included in the new Dairy Donation Program, including the donation and

distribution plan requirements; the initial reimbursement rate for product donations; and limiting initial program participation to dairy farmer cooperatives and processors who "account to" a federal milk marketing order (FMMO).

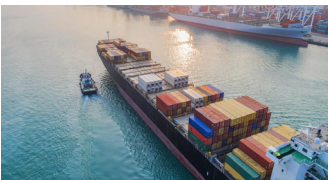
The agency's announcement, which comes before the formal regulations for the DDP are finalized, also comes as spring flush builds across the U.S., and is meant to "encourage the dairy industry to process and donate surplus milk supplies during the spring surplus milk production season." This aligns with the intent of Congress to allow USDA to make retroactive reimbursements for donations made before the final program regulations are announced later this year.

Other initial program provisions include:

- All dairy products are eligible for donation under the program, whereas the existing Milk Donation Reimbursement Program only reimburses for fluid milk.
- Partially regulated plants are included in the definition of eligible dairy organizations.
- Dairy organizations will be able to donate products that are processed either at their own manufacturing facilities or at other proprietary facilities. As long as the dairy products are made from milk that is marketed by a cooperative or organization that at least partially accounts to an FMMO pool, then those products will be eligible under the program.

Working alongside NMPF, FarmFirst remains engaged in ongoing discussions with USDA about the program and will continue to provide further input regarding its implementation as the rulemaking process proceeds. 🇺🇸

## Industry Seeks Action on Ocean Shipping Challenges



As oceanic shipping problems continue to plague U.S. dairy exporters, NMPF helped organize a coalition of nearly 300 agriculture and timber organizations on a letter to Transportation Secretary Pete

Buttigieg, urging immediate intervention to preserve U.S. access to shipping containers and ocean access to foreign markets. NMPF and U.S. Dairy Export Council (USDEC) had a very active hand in organizing this effort under the auspices of the Agriculture Transportation Coalition (ATC). The letter specifically asks the Department of Transportation to assist the Federal Maritime Commission in expediting its enforcement options and resolve the port and shipping issues.

Working alongside other industry partners, FarmFirst believes it is vital to ensure both Congressional leaders and the administration remain fully aware of the challenges industries like dairy continue to experience at our nation's ports, and the ripple effect these challenges have across our nation. 🇺🇸

## Biden Outlines \$1.8 Trillion Plan - Farmers to Be Protected on Capital Gains

President Biden unveiled his \$1.8 trillion package of economic and social benefits, calling the proposal the American Families Plan. The plan would expand child nutrition assistance, in addition to a handful of other benefits such as paid family and medical leave. His plan to address food insecurity could provide a tailwind for increased dairy consumption.

To help fund these new or expanded programs, the administration is proposing higher capital gains taxes on inherited assets, **but with protections specified for farms and other family-owned businesses that continue in operation.** Under current law, heirs don't pay capital gains taxes on inherited assets until they are sold, and then they get a stepped-up basis that significantly limits the amount of tax that is owed. The USDA also says assets subject to the \$1 million-per-person exemption would continue to receive a step-up in basis when sold.

FarmFirst remains engaged on the potential tax implications as this package develops so that the proposed means of funding do not adversely impact the dairy sector. 🇺🇸



## Checkoff-Driven Branding Works

Guest Feature by Chad Vincent, Chief Executive Officer of Dairy Farmers of Wisconsin

Building a trusted, respected brand like Wisconsin Cheese is no accident. That's because our products start with high-quality milk produced by hard-working Wisconsin dairy farmers. In the early days of the checkoff program, it was recognized that branded marketing was much more effective at moving product than generic advertising. From that insight, the Wisconsin Cheese and Wisconsin Dairy brands were built.

Dairy Farmers of Wisconsin works with dairy companies to use the Proudly Wisconsin® Cheese and Proudly Wisconsin® Dairy badges alongside other Wisconsin identifiers to increase awareness and sales. Consumers crave knowing the background of their food, and Wisconsin dairy farmers and dairy products have amazing stories to tell.

For example, Dairy Farmers of Wisconsin assists with advertising and promotions to help put Wisconsin-labeled products in front of consumers and cheese buyers, using virtual tasting connections to achieve impressive results. Product demonstrations are effective because they work. Research shows a consumer is nine times more likely to buy a product if they can sample it first.


The Proudly Wisconsin® badges and products earning the right to display them embody the attributes Wisconsin is known for: nearly two centuries of quality, tradition, innovation, passion and award-winning dairy. The badges, driven by Wisconsin dairy farmer-checkoff dollars, serve as visible reminders that make it easy for consumers to recognize and trust those outstanding cheeses when making purchase decisions.



Over the past five years, total Wisconsin-identified cheese sales have increased 4.4 percent compared to 1.4 percent at retail for cheese made elsewhere. This means Wisconsin Cheese is selling faster and more frequently at retail grocers than cheese made anywhere else. Cheese that sells faster makes room for more Wisconsin milk.

Moreover, our internal data shows Wisconsin Cheese maintains its lead, significantly outpacing awareness, consideration, and purchase intent among all states and countries tested.

Ultimately, the efforts of Dairy Farmers of Wisconsin help sustain the treasured Wisconsin Cheese brand, which in turn moves more Wisconsin milk. Consumers recognize and associate Wisconsin Cheese and dairy products with taste, quality, innovation and integrity – and ask for them by name.

Visit [WisconsinCheese.com](http://WisconsinCheese.com) to see more of the consumer-facing efforts raising awareness of the Proudly Wisconsin® badge. 




## FarmFirst Applauds Reintroduction of the DAIRY PRIDE Act

FarmFirst Dairy Cooperative applauds the reintroduction of the DAIRY PRIDE Act on April 22, thanks to the efforts of Senators Tammy Baldwin (D-WI) and James Risch (R-ID) and Representatives Peter Welch (D-VT) and Mike Simpson (R-ID). The DAIRY PRIDE Act would bring clarity to food labeling as it impacts imitation products of dairy foods including milk, yogurt and cheese while ultimately helping consumers make better, more-informed choices of the foods they eat.

“For years we have been engaged on the issue to require FDA to enforce milk standards of identity, which prohibit using dairy terms on non-dairy products. We commend Senator Baldwin for her persistent efforts to hold the FDA accountable through her direct communication with FDA and the reintroduction of the Dairy Pride Act,” said Jeff Lyon, FarmFirst General Manager. “Consumers deserve transparency and want clear and accurate food labels on the food they buy. Further, our dairy farmers deserve recognition for producing such a wholesome, quality product.”

Dairy products are defined by the FDA as being from dairy animals. While this is clearly outlined in FDA regulations, the FDA is not currently enforcing these labeling rules and the misuse of terms such as ‘milk’, ‘yogurt’, and ‘cheese’ has been rampant across non-dairy food products.

“Consumers deserve to be treated with respect and that begins with proper and accurate food labels. Milk is clearly defined by the FDA, and this definition should be enforced,” says John Rettler of Tin Valley Farms in Neosho, Wis. and President of FarmFirst. “It is time the FDA made it a priority to uphold its responsibility of enforcing existing labeling requirements, which will provide greater awareness and transparency for consumers in the foods they eat. The flagrant misuse of these dairy terms harms both dairy farmers and consumers.”

The reintroduced legislation requires the FDA to enforce its own existing standards of identity on imitation dairy products within 90 days and require the FDA to report to Congress two years after enactment to hold the agency accountable for this update in their enforcement obligations. 

# FarmFirst Concerned with Economic Impact Analysis and Proposed Changes to Wisconsin DNR Non-Point Rules



FarmFirst Dairy Cooperative expressed its concerns with the Economic Impact Analysis and proposed rule changes to NR 151 in comments submitted on April 9 to the Wisconsin Department of Natural Resources. NR 151 is a

state regulation related to agricultural runoff and non-point performance standards.

With more than 3,200 individual dairy farmer members in the state of Wisconsin, FarmFirst pointed out that the DNR significantly underestimated the costs to dairy farmers in its EIA and that manure management costs could be significant for dairy farms located in targeted areas because of a limited number of cost-effective options available to dairy farmers.


“NR 151 as proposed would essentially prohibit manure applications after September 1, which ultimately compounds problems that DNR wants to avoid, said Jeff Lyon, FarmFirst General Manager, “This sets us up to have more manure applied during a short window in the spring when we are more susceptible to significant rains and the potential for catastrophic runoff and leaching events. Further, we run the risk in years with significant precipitation in the late fall and winter of storage facilities reaching capacity that need to be emptied so they do not overflow.”

According to Lyon, “Even with cost sharing, the DNR’s estimated costs in the EIA to dairy farmers for manure storage is underestimated because they are estimating storage of less than one year. Dairy farmers and their lenders will opt for manure storage capacity of at least one year. Further, the proposed rule and EIA fail to recognize that cost-sharing has historically been underfunded, with the state continuing to struggle to come up with their 70 percent.”

“While there are options that will allow for the spreading of manure after September 1, the fact is that dairy farmers will have to invest in or add to their long-term manure storage, which will be too costly or unreasonable for many. This raises serious concerns about the proposed rule contributing to the exit of dairy farms because they are financially unable or reluctant to take on such significant costs,” says Lyon.

“We believe the proposed performance standards should create cost effective opportunities instead of prohibit them, by allowing manure to be spread more often at lower rates on targeted soils,” added Lyon.

“FarmFirst members recognize the importance of maintaining and improving water quality in the state as it is critical to their livelihood, however the Economic Impact Analysis and the proposed changes to the rule need revisions before they go any further in the rule making process.

For a copy of the written comments submitted by FarmFirst, visit [www.FarmFirstDairyCooperative.com](http://www.FarmFirstDairyCooperative.com). 

## FarmFirst Proposes Using “Higher of” for Class I Mover

*FarmFirst’s proposal returns to formula with a proven track record*

FarmFirst Dairy Cooperative will submit a proposal to USDA to revert back to using the “higher of” the Class III or Class IV price in calculating the Class I mover in Federal Milk Marketing Orders if USDA’s Agricultural Marketing Service grants a national emergency hearing to address the Class I mover issue.


“Prior to using the current formula to determine the Class I mover, the industry used the “higher of” the Class III or Class IV price with few issues since its adoption,” said Jeff Lyon, FarmFirst General Manager. “When reviewing other proposals and options, we came back to using the “higher of” since it was fully vetted in a national hearing process nearly twenty years ago and has served the industry well. It is clean, simpler and straight forward.”

“In our review, none of the proposals that have been suggested to date will eliminate negative Producer Price Differentials (PPD), but a quick analysis for Order #30 showed that overall, the “higher of” performed better than the actual PPD since the current formula started in May 2019,” said Lyon.

“We believe going back to using the “higher of” best addresses the large negative PPDs in 2020 due to reasons related to the

COVID-19 pandemic, the large spread between Class III and Class IV prices, and lastly, the large increase in Class III prices over a short period of time which encouraged Class III handlers to significantly depool their milk from their respective federal order,” Lyon noted.

“There are several changes industry stakeholders would like to see to the federal orders, but the pressing matter at hand is addressing negative PPDs,” Lyon added. “Returning to the higher of Class III or Class IV will get us back to the original intent to create favorable milk prices for farmers. Minimizing negative PPDs will provide more stability in milk prices, which will set the stage for additional order reform in the future.”

“I anticipate that the National Milk Producers Federation will be submitting their recently approved proposal to address the Class I mover in the near future,” said Lyon. “USDA has thirty days to decide whether or not to hold a hearing. If the hearing is granted, generally other proposals are accepted for consideration. We believe it is important for the dairy industry to have the opportunity to consider our proposal for the “higher of” pricing formula as well.” 

MARCH 2021

	UPPER MIDWEST	CENTRAL	MIDEAST	
Order Name and Number	Order 30	Order 32	Order 33	
Producer Milk (lbs.)	964,507,613	981,511,171	1,475,809,224	
Producer Price Differential @ base zone	\$ -0.51	\$ -1.00	\$ -0.47	
Statistical Uniform Price/cwt @ 3.5% BF*	\$ 15.64	\$ 15.15	\$ 15.68	
Class I Price/cwt	\$ 17.00	\$ 17.20	\$ 17.20	
Class II Price/cwt	\$ 15.07	\$ 15.07	\$ 15.07	
Class III Price/cwt	\$ 16.15	\$ 16.15	\$ 16.15	
Class IV Price/cwt	\$ 14.18	\$ 14.18	\$ 14.18	
Component Prices & Test Avg. % aves				
Butterfat/lb.	\$ 1.7176	4.06%	4.01%	3.99%
Protein/lb.	\$ 2.6954	3.18%	3.25%	3.21%
Other Solids/lb.	\$ 0.36520	5.79%	5.78%	5.78%
SCC Adjust Rate/1000	\$ 0.00080			
Producer Milk Classified %				
Class I	22.70%	40.60%	39.20%	
Class II	22.10%	16.01%	24.50%	
Class III	36.90%	5.37%	17.20%	
Class IV	18.30%	38.02%	19.10%	
	100.00%	100.00%	100.00%	



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*Learn more about FarmFirst's  
Federal Order Reform Proposal*



## 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.

*Ammon Fisher*

*Henry and Mary Stoltzfus*

*Stephen Stoltzfus*

*Bradley Timm*

*Dudley & Henrietta Timm*

*Stacy Eberle*

*Kim Hartwig*

*Julie Swedlund*

*Michael Miller*

*Jerry Kieffer*

*John Roffers*

*John and Rebecca Lapp*

*David and Susan Miller*

*Joseph Tomandl*

# MAY is BEEF MONTH

celebrate all things beef with us.