

MILKLINE

NEWSLETTER



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A New Product for Age-Old Nutrition



There's nothing quite as refreshing as a tall, cold glass of milk. But when it comes to sports beverages, milk is typically not the first beverage that comes to mind. Individuals looking for the same nutritional punch that milk provides don't have to look any further.

GoodSport, the first-of-its-kind natural sports drink made from the goodness of milk and backed by science was officially launched in February 2021.

GoodSport is made from 97% dairy. Research has shown that milk is a natural source of the essential electrolytes and carbohydrates needed to provide effective hydration, which is especially important following intense aerobic activity. Additionally, scientific studies have shown that milk actually hydrates better than traditional sports drinks and water.

Milk has typically been excluded from the sports drink category because of its perishability and shorter shelf life.

Leaving a bottle of milk in an uninsulated workout bag or the hot sun is far from a great idea. In addition, milk's higher protein content and consistency is a challenge to consume before or during a workout.

However, GoodSport's patent-pending formula and process cracked the code to provide naturally powerful hydration in a clear and thirst-quenching beverage. It delivers three times the electrolytes and 33% less sugar than traditional sports drinks, according to the company. All ingredients are from natural sources and the beverage is lactose-free, shelf stable, and provides a good source of calcium and an excellent source of B vitamins.


GoodSport didn't just look to dairy for its nutrition, but also its innovation. The idea for GoodSport came from its CEO and founder, Michelle McBride, but she was connected with the Center for Dairy Research (CDR) based on the University of Wisconsin-Madison campus for their help and expertise in finessing the formula to make such a nutritional-packed workout-recovery beverage.

At CDR, McBride connected with K.J. Burrington who serves as CDR's Dairy Ingredients, Beverages & Cultured Products Coordinator, who helped with the formulation of the beverage. Together, they modified the ultrafiltration process to harness milk's electrolytes, vitamins and carbohydrates while removing its protein to create a clear, light beverage with a mouthfeel that consumers expect from a sports drink.

If a new innovative dairy product wasn't enough good news for the dairy industry, the fact that this new beverage utilizes

a byproduct from making other dairy products makes it even better. Dairy companies often ultrafilter milk to use its protein to make products such as cheese. Typically, they are unable to use the nutrient-rich part of the milk - permeate. GoodSport rescues this byproduct from dairy companies to produce its beverage. In turn, wide-spread use of this permeate will help create additional value for the milk supplied by dairy farmers. Not to mention, using more byproducts from dairy will only contribute to dairy's sustainability story. All this was made possible by the work and research of CDR, which is partially funded by dairy farmer checkoff dollars.

GoodSport was original developed by McBride seeking a healthier, more-hydrating option for her son following his baseball games. Along the way, she developed a beverage that harnesses the nutritional package of milk while overcoming challenges of perishability and mouthfeel that dairy faced while penetrating the sports-drink category. GoodSport is currently available in 16.9-ounce bottles and comes in four flavors: lemon lime, fruit punch, wild berry, and citrus. Available for purchase online, we look forward to seeing widespread availability of this beverage and promotion of its dairy connection in the future.

Innovation comes in many forms. For dairy, this latest innovation serves individuals seeking optimal hydration, while utilizing a dairy byproduct that has typically had minimal value. I think we can all agree that this is the kind of innovation we can cheer about. 

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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FarmFirst Benefit Program Supports Members Following Milk Income Loss Disasters

Among the many advantages of being a FarmFirst Dairy Cooperative member, the disaster benefits program is near the top of the list. Members may receive financial assistance when they experience milk income loss due a natural disaster for a variety of situations, including:

- Loss due to the death of a cow due to electrocution or lightning
- Loss of electric power from the utility to the farm service entrance
- Loss due to impassable roads due to snow or flooding
- Loss by fire or windstorm

This disaster benefits program is a unique benefit to FarmFirst Dairy Cooperative members; not many cooperative programs offer such a program to their members in their time of need.

"We always have and always will continue to advocate for our members, especially for effective, workable dairy policies that support their dairies," says Jeff Lyon, General Manager of FarmFirst Dairy Cooperative. "Dairy farmers need their cooperative to look out for them, and we continue to put members' best interests first. Milk loss due to weather-related disasters, is just one way we can provide some support and relief."


Loss can occur at any time, so the program continually reviews and pays claims throughout the year. Over the past few years, members from across the Upper Midwest are grateful for the self-funded program being available to them following particularly severe weather events, including the derecho windstorm that swept through Iowa in August of 2020.

"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, Iowa who experience severe damage to his farm by the derecho. The steel roof was peeled from his free-stall barn and scattered in pieces across his fields, feed storage was lifted and dropped destroying the foundation of the building, and steel stalls were bent out of shape among other damage across the farm. Four months later, the cows returned to the upgraded free-stall barn. "You never anticipate anything like this to happen on your farm. Even months later, it is still hard to comprehend. We are certainly grateful for the support we've received from FarmFirst from all this."

Payments made under the FarmFirst Dairy Cooperative Milk Loss program for cow death or milk loss are limited to a total aggregate sum of \$25,000 in any calendar year to each licensed farm. All losses shall be reported to the general manager of FarmFirst within 20 days following a disaster for which a claim may be submitted.

Payments from these larger weather events have been more significant, including more than \$40,000 paid for the August 2020 derecho, more than \$45,000 for a severe snowstorm in February 2019, and more than \$29,000 pay for the April 2018 snowstorm that impacted FarmFirst members, in addition to other claims that are paid throughout the year for other issues related to electrocution, lightning, or loss of electric power from the utility to the farm service entrance.

A copy of the disaster benefits program brochure is available on FarmFirst's website at www.FarmFirstDairyCooperative.com. Members that experience a milk loss and believe they are eligible to make a claim should contact their field representative or the office. The FarmFirst Dairy Cooperative Board of Directors is responsible for reviewing and approving all milk loss claims.

For a full listing of membership benefits, please visit FarmFirst's Member Benefits webpage. 

visit us on

FarmFirstDairyCooperative.com



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Raising Objections to Estate Tax Proposal


As Congress discusses a broad, multi trillion-dollar infrastructure package, a number of proposals have surfaced to pay for the bill's programs, including several changes to the tax code that could impact farms and farmer assets in specific, yet common circumstances. The first would alter estate tax provisions to increase the circumstances under which farmers could be taxed on inherited farm assets. The second changes how farm and farm-related assets are taxed, repealing the "step-up" in basis currently used.

Such tax changes could weaken farmland values and make it more difficult for dairy producers to continue their operations without tax-caused disruptions as well as for families to hold on to their farms through generational changes. It is important for investments to be made in the nation's infrastructure, however, FarmFirst believes it should not be at the expense of farmers and the businesses they so carefully built over time.

Since the proposal was shared, FarmFirst has been working in stride with other dairy and agriculture leaders to prevent the changes to the estate tax and stepped-up basis from becoming law. On May 17, National Milk Producers Federation (NMPF) and other key agriculture stakeholders sent a letter to Speaker Pelosi (D-CA) and

Senator Schumer (D-NY), Senator McConnell (R-AL), and Rep. McCarthy (R-CA) urging them not to alter or eliminate long-standing tax provisions that are fundamental to farm businesses.

It was also a positive sign to see both Democrats and Republicans in the House send their own messages to their chamber's leadership, calling for both proposed changes to be dropped from consideration in infrastructure discussions. As the stakeholder letter notes, "Because assets in agriculture are typically held by one owner for several decades, resetting the basis on the value of the land, buildings, and livestock on the date of the owner's death under a step-up in basis is important for surviving family members and business partners to ensure the future financial stability of the operation."

FarmFirst will remain engaged on this issue to ensure that any additional considerations or discussions on the matter fully recognize the impact it may have on producers and their decisions regarding how to run their operations. 



FarmFirst Applauds USMCA Dispute Settlement Case



FarmFirst applauds the initiative that U.S. Trade Representative Katherine Tai has taken to proceed with a dispute

proceeding over Canada's administration of dairy tariff rate quotas (TRQs) under the U.S.-Mexico-Canada Agreement (USMCA).

Canada continues to thwart their trade commitments as outlined in the USMCA. Industry leaders from USDEC and NMPF have continued to rally for support of enforcing Canada's trade obligations. Thanks to Ambassador Tai's initiation of this official dispute settlement, a panel will be established to determine whether Canada has been violating its trade obligations. If the panel determines a lack of compliance, the U.S. would then be granted the right to impose retaliatory duties if Canada fails to fix its problematic TRQ administrative practices.


"We are grateful for Ambassador Tai's leadership on this important issue as U.S. dairy farmers and processors deserve to utilize the full market opportunities that were sought after for them in the USMCA," says Jeff Lyon, General Manager at FarmFirst. "Now is the time to make it very clear to Canada's trade leaders – that failure to meet their agriculture trade obligations will have consequences. Canada needs to stop building barriers in spite of the trade agreements they've signed and participate as a good trading partner."

As an ongoing issue, broad bipartisan support has been raised by several members of Congress over the past several months,

including a message from the House Ways and Means Committee as well as the Agriculture Committee to Ambassador Tai during trade oversight hearings. Prior to the dispute proceeding, FarmFirst and other industry groups signed onto a letter authored by the National Milk Producers Federation, which was sent to USTR Tai, urging her to pursue a dispute settlement with Canada over its dairy import policies.

"The U.S. dairy industry strongly supported USTR's decision to defend our market access rights with Canada. There is strong bicameral, bipartisan support from Congress for holding Canada accountable to its dairy commitments under the USMCA," as mentioned in the letter. "On behalf of the dairy farmers, processors, and the millions of jobs throughout the supply chain supported by dairy exports, our industry stands ready to be helpful in this process. U.S. negotiators fought hard to increase market share for America's dairy farmers and processors in the USMCA negotiations, and we now ask that Canada honor its commitments."

The letter to Tai was more than just about the dispute over Tariff Rate Quotas (TRQs); it reinforced our concern that now is the time for the U.S. to demonstrate that it is willing to move ahead with USMCA enforcement procedures if Canada or Mexico are refusing to change their policies governing the other North American trade compliance topics.

FarmFirst will continue to advocate for full enforcement of Canada's trade obligations while engaging with Congressional leaders on the importance of this trade issue. 

Sharing Dairy's Sustainability Story This June Dairy Month

Guest Feature by Bob Lefebvre, Vice-President of Agricultural Affairs at Midwest Dairy

This National Dairy Month, Midwest Dairy, which represents dairy farmers across a 10-state region, is building on the tradition of supporting on-farm events by collaborating with retail partners to share dairy's on-farm sustainability and nutrition stories. Working with and through these partners will spread dairy's positive environmental story far and wide in creative and new ways at the point of purchase, all while celebrating why dairy was sought after by many consumers during the past year, as people turned back to the comfort, enjoyment and nutrition that helped get them through this tough time.

Studies have shown that 31% of Midwest consumers are uncertain about whether dairy products are environmentally friendly, and 37% say that retailers are responsible for providing environmentally friendly foods. Through these strategic retail partnerships, Midwest Dairy is helping grocery retailers directly address consumer concerns by telling the story about the industry's goal to reach net zero by 2050, along with all the sustainable practices Midwest dairy farmers use every day, to build trust and increase dairy demand.

Throughout the month of June, retailers will be sharing with consumers that dairy is local, sustainable and nutritious, using in-store signage, videos at the gas pump, engaging photos and information online, and more. Platforms are being developed for retailers to engage their dairy vendors with special National Dairy Month promotional support to drive dairy sales. Some retail partners will also be working with chefs to highlight dairy, which

will provide informative and entertaining content that resonates with consumers – all while sharing dairy's sustainable nutrition story.

E-commerce offers another unique opportunity to engage with shoppers. E-commerce retail partnerships will feature an array of robust information about dairy, recipe ideas, healthy kids' partnerships and activations with charitable components to help support local communities.

These efforts work to increase consumer trust and dairy sales, while establishing a strong foundation to build upon. As consumers continue to look for immune-boosting, inflammation-reducing and nutrient- and protein-rich foods, dairy continues to be a great option. Having this solid reputation to build from leaves opportunity to grow trust and sales even more.

Midwest Dairy represents approximately 5,800 dairy farm families to 39 million consumers across a ten-state region. Midwest Dairy works on their behalf to build dairy demand by inspiring consumer confidence in dairy products and production practices. Learn more about Midwest Dairy, these partnerships, and access free resources for dairy farmers by visiting MidwestDairy.com. 🇺🇸



Zablocki-Wagner Brings Experience and Expertise to FarmFirst's Milk Marketing Division, Family Dairies USA



Cheryl Zablocki-Wagner began her duties on May 17.

Cheryl Zablocki-Wagner officially joined the cooperative's milk marketing division, Family Dairies USA, on May 17 as a field representative. Previously, Cheryl was a lab analyst at Fox Valley Quality Control Lab, the lab testing division of FarmFirst Dairy Cooperative.

Cheryl has a deep passion for dairy farming, having been a dairy farmer all her life with the exception of six years at the beginning of her career working for a dairy cooperative in upstate New York. Her passion for dairy brought her back to America's Dairyland to dairy farm and continue working as a field representative. In total, Cheryl brings more than 20 years of field representative experience to this position.

The passion Cheryl brings to serving dairy farmers is further complemented by her lab knowledge and expertise. Not only

does Cheryl thoroughly enjoy visiting with dairy farmers on their farms, but she loves to help farmers find solutions to milk quality issues they face on the farm. Cheryl takes pride in milk quality, and has even drafted resources for the state agriculture department when it comes to federal surveys. As a dairy farmer herself, she is invested in the dairy industry as much as the producers she serves.

"I'm excited to serve Family Dairies USA producers as their field rep and to visit them on their farms, helping address any milk quality concerns and find solutions for them along the way," says Cheryl.

Serving the northern region of Family Dairies USA members, Cheryl will be visiting with members in the coming weeks. Cheryl will also remain active at Fox Valley Quality Control Lab, by providing back up support to the lab staff. Cheryl lives in Seymour, Wis. with her husband, Dave, and their son, Ezekiel, and co-owns and operates their family dairy known as Hofa Park Dairy Farm.

Welcome to the Family Dairies USA team, Cheryl! 🇺🇸

Announcing 2021 Scholarship Recipients

In its ninth year of the program, FarmFirst Dairy Cooperative is proud to announce its 2021 scholarship award recipients. This year continues the tradition of significant support made by the cooperative for members' children, awarding \$14,250 to 13 applicants this year. In total, more than \$180,000 has been given to 205 students since 2013. Scholarship recipients were selected based on leadership, scholastic achievement, and extracurricular activities in addition to essay responses and their future career goals.

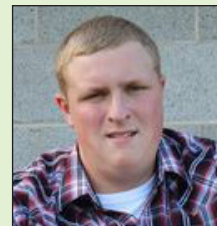
Congratulations to the 2021 FarmFirst Dairy Cooperative Scholarship Award recipients! 🐄



Dorissa DeNure,
Argyle, Wis.



Payton Erbsen,
Lanark, Ill.



Matthew Fischer,
Owen, Wis.



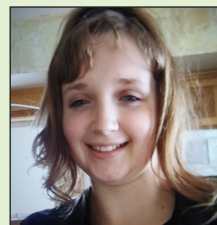
Lakin Getz,
Savanna, Ill.



Bridgett Hoffman,
Brantwood, Wis.



Melissa Mulderink,
Dorchester, Wis.



Genevieve Phillips,
Medford, Wis.



Ashlee Piskow,
Granton, Wis.



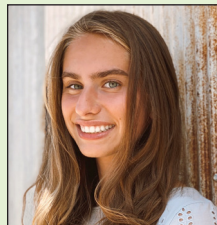
Laney Schmitt,
Milladore, Wis.



Joseph Schuh,
Seymour, Wis.



Brock Strassburg,
Bowler, Wis.



Gracie Walker,
Wisconsin Dells, Wis.



Randall Winch,
Fennimore, Wis.

Protecting Your Profits

Consider a Risk Strategy for Your Farm

The milk market is probably one of the hardest to predict. Milk volatility has shown prices can do anything, at any time, for any reason. How many times have we seen milk moving in an upward trend only to wake up and find it spiraling downward out of control? Early in my career, I too would get caught up in hopeful thinking, and I would find myself thinking milk cannot get lower; producers cannot make it if prices fall. These thoughts were based on emotions and tended to be wrong most of the time. Remember, the milk market does not care what we think, or how we feel. Therefore, producers must develop a sound strategy to mitigate market risk.

What changed for me? How I was able to stop getting caught up in what I thought was going to happen or should happen? I worked closely with our team at ARM

services and studied milk - reviewing the dairy markets, pulling data on milk price performance, and

learning how various strategies played out using risk management tools available. This level of intense study has been paramount to our business and the producers that have chosen to work with us. It has built the successful strategies ARM Services uses today to provide greater returns to our dairy producers.

In the last five years from 2016-2020, our producers have gained an average net \$.89 per hundredweight.*

In 2021, we have seen payments netting producers \$.89 - \$.96 per hundredweight.**

It is important to understand that the products we are using are designed to bridge sharp declines in milk or increases in feed, which ultimately pays dividends to

you. Our strategy focuses on protecting you from the fall, while allowing you to reap the rewards when milk prices do climb, or feed prices fall.

The first step is having a conversation.

If you would like to see this strategy at work for actual dairy farmers, of any size, and how ARM Services puts it into motion, give me a call. Whether you currently have a plan in place and want to compare it or if you are looking to get started on developing a risk management strategy, I would love to help.



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

Give me a call today - let's chat about what I've learned that can protect and improve your milk price. 🐄

*This is based on consistently following ARM Services marketing strategy.
** This is based on consistently following ARM services marketing strategy, dollar amounts vary based on when a producer started their plan.

APRIL 2021

	UPPER MIDWEST		CENTRAL	MIDEAST
Order Name and Number	Order 30	Order 32	Order 33	
Producer Milk (lbs.)	927,120,130	930,673,697	1,289,459,487	
Producer Price Differential @ base zone	\$ -1.02	\$ -1.79	\$ -1.34	
Statistical Uniform Price/cwt @ 3.5% BF*	\$ 16.65	\$ 15.88	\$ 16.33	
Class I Price/cwt	\$ 17.31	\$ 17.51	\$ 17.51	
Class II Price/cwt	\$ 15.56	\$ 15.56	\$ 15.56	
Class III Price/cwt	\$ 17.67	\$ 17.67	\$ 17.67	
Class IV Price/cwt	\$ 15.42	\$ 15.42	\$ 15.42	
Component Prices & Test Avg. % aves				
Butterfat/lb.	\$ 1.9496	4.01%	3.98%	3.92%
Protein/lb.	\$ 2.8136	3.15%	3.24%	3.18%
Other Solids/lb.	\$ 0.426800	5.80%	5.79%	5.78%
SCC Adjust Rate/1000	\$ 0.00086			
Producer Milk Classified %				
Class I	22.30%	41.09%	40.00%	
Class II	22.10%	16.09%	22.50%	
Class III	38.30%	5.08%	11.00%	
Class IV	17.30%	37.74%	26.50%	
	100.00%	100.00%	100.00%	



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Learn more about a new dairy
innovation, GoodSport
- Featured on Page 1!

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.

Ben and Fannie Stoltzfus

Rueben & Lizzie Kauffman

Betty and Joseph Bach

Adam Bruski

Timothy Brubacker

Christopher Olson

Paul & Mary Zimmerman

Daniel Murphy

Terry Fish

Sam Stoltzfus

David Lemstra

Rudy Borntrager

Kevin Schmidtke

Joseph Wilke

Laban & Ruth Bowser

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