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FarmFirst Dairy Cooperative Shares Today's Vision for Tomorrow's Success at 2022 Annual Meeting

Delegates, Members Gathered for Cooperative Annual Meeting

Madison, Wis. [February 14, 2022] – FarmFirst Dairy Cooperative members and delegates gathered on February 11-12 to take a deeper look at important industry topics, approve its 2022 public policy and review the cooperative's accomplishments from the past year during its 10th annual meeting in Onalaska, Wis.

The Producer Discovery Workshops kicked off Friday afternoon, featuring Dana Coale, the Deputy Administrator of Agricultural Marketing Services – Dairy Program with USDA. Coale provided a deeper understanding of the Federal Milk Marketing Order system, addressing questions by producers and highlighting how the federal orders are designed to regulate milk handlers on behalf of dairy producers. Coale also clarified how changes can be initiated to the orders, emphasizing that a unified message by the industry demonstrates to the USDA that the industry has worked together to determine the best way to improve the order for all dairy producers across the country.

The second workshop featured Dr. Mark Stephenson, Director of Dairy Policy Analysis of UW-Madison, along with Travis Glaser, agent and co-owner of ARM Services, highlighting the milk market outlook for 2022, and building a relevant risk management program. Stephenson reviewed important factors impacting the 2022 milk markets, including the decrease in overall U.S. milk production, as well as the decrease in overall production per cow across the U.S. He highlighted that the domestic supply of milk is a bit tight right now, particularly in the west, and that export demand is very strong across all product categories. A major factor affecting the milk markets include port congestion, which continue to pose challenges for supply chains and the overall movement of agricultural exports. Stephenson concluded that the year ahead was promising in terms of milk prices, but that producers should still have a risk management plan in place for when the unexpected happens.

To assist producers in building the best risk management strategy, Glaser provided an overview of a producer's dairy risk management options and shared a brief history of how various risk options have performed in the past several years. Glaser provided data showcasing the correlations between various feed costs and discussed the pros and cons of each risk option. He also discussed the value the Dairy Margin Coverage (DMC) program provides, clarifying that DMC favors high feed costs, but not always

low milk prices. While DMC has performed well in 2021, he cautioned producers who rely on this as their only risk management strategy. Overall, he emphasized removing emotion from a producer's risk strategy, noting that a proven approach performs when it should. Using the historical milk market data agents have today, producers will find themselves in a stronger position when working with an experienced agent.

At the cooperative's business meeting the next day, President John Rettler of Neosho, Wis. reflected on how the past two years provided many unique challenges and just as many unique learning experiences. From this, he reminded fellow cooperative members to keep an optimistic perspective and to find the humor in their situation, whatever it may be. He reassured FarmFirst members that their organization is dedicated to advocating in the best interests of their members, which is proven by its membership programs, including the Milk Income Loss program, the level and depth of policy advocacy and its extensive support of youth education. The foundation of the cooperative is rooted in accurate component testing, but the impact of the cooperative's advocacy and policy reform is far-reaching. Working in stride with industry leaders and partners, FarmFirst works hard to represent its members on issues being discussed by the nation's policymakers.

During the resolution session, delegates reiterated their support for dairy farmers to receive a fair price for their production and emphasized the support and development of the means to increase the stability of dairy producers' profitability, including federal order reform. Delegates continued their strong support against any unnecessary environmental regulation on farmers, in addition to any carbon or methane emission tax. Strong support was given to government entities promoting the safe and environmentally sound production of agricultural products made domestically as well as supporting aggressive action ensuring that all parties within trade agreements are complying with agreement provisions. Delegates also supported action being taken to address the causes of port delays and other supply chain issues adversely affecting dairy exports and imports of farm production inputs.

General Manager Jeff Lyon shared the legislative accomplishments including the improvements made to the DMC program, the new Dairy Donation Program's impact on getting valuable dairy products in the hands of those who need it, and FarmFirst's advocacy on trade, highlighting the cooperative's efforts for better compliance within USMCA, and how the cooperative continues to advocate for universal use of common cheese names. Top priority issues in 2021 included tax policy and farm labor in addition to Federal Milk Marketing Orders, which continue to be a high priority in 2022, as Lyon serves on the National Milk Producers Federation Federal Order Task Force, which is evaluating and examining various issues to improve the current order system.

Lyon also shared the involvement of FarmFirst members on a federal level, noting the participation of members on the Animal Health and Well Being Committee through the National Dairy FARM program. He also described how the past two years have created unique challenges along with new opportunities, particularly in how we can connect and communicate with members and industry leaders more easily using technology.

Mike Brown from The Kroger Company provided insight from a retail perspective of buying dairy products for a national retail brand prior to and during COVID-19. Brown emphasized the importance of consistent, high-quality dairy products, noting that these two characteristics were vital to Kroger's brand reputation and loyalty. From his retail perspective, he described several unique challenges that the pandemic initially created but that the issues they face today are far greater, from having sufficient packaging inputs and labor at their processing plants to maintaining truck drivers to balancing supply and demand of various products. He concluded with his appreciation for the quality milk dairy producers of the Upper Midwest continue to provide for brands like Kroger.

During its awards program, the cooperative recognized its top milk quality awards winners for its Family Dairies USA, milk marketing division. Staff members, Mike Payne (25 years), and Toni Buhrow (15 years) were recognized for their career milestones and contributions to the cooperative. Lastly, 2021 scholarship recipients were in attendance to share their appreciation for the cooperative's scholarship program and what they plan to accomplish following graduation in a few years.

As part of the annual event, a live and silent auction were hosted to help raise funds for youth educational programming. This year's live and silent auction raised more than \$6,000 for youth education, including college scholarships and dairy camp sponsorships.

The 2023 Annual Meeting is set for February 10-11, 2023 in Stevens Point, Wis.

FarmFirst Dairy Cooperative, established in 2013 and based in Madison, Wis., represents farmers in Wisconsin, Minnesota, South Dakota, Michigan, Iowa, Illinois, and Indiana by providing legislative and regulatory advocacy, dairy marketing services, disaster protection, laboratory testing opportunities and industry promotion. Learn more about FarmFirst Dairy Cooperative by visiting: www.FarmFirstDairyCooperative.com.

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