

MILKLINE

NEWSLETTER



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A Prosperous Year Ahead



As I prepared my president's address for the 2022 Annual Meeting, it occurred to me that it had been two full years since our members had gathered for this annual event. Two years might not seem like much time depending on your perspective, but when looking back, those two years were FULL. Full of uncertainty, full of hope and hard work, full of changes that eventually brought more changes to where we are today.

Thanks to COVID-19, we are experiencing unprecedented supply chain issues and labor shortages in nearly every corner of every industry. This year is no exception.

In the past during my president's address, I have reflected on the past year while noting unique scenarios that I never expected to find myself in. A few of them include:

- Never did I anticipate the milk price

hitting \$22 while the farm gate price remained at \$16.

- Never did I expect to call and order steer and be told it is a 423% of an increase from six months ago.

- Never have I called to get my spray and fertilizer lined up for the next year and be told the price was three times as much if not more than last year's price. Not only that, but I was told I needed to commit within the hour before the price might change. As if spending that amount of money wasn't crazy, we're also hoping to the heavens that it'll be there when we need it.

- Never did I ever think I would order rear tractor tires because I might need them and would rather be prepared than out of luck.

- Never did I anticipate that sending a skid loader to the shop to get repaired in May 2021 would result in the mechanical work finally being done over ten months later due to waiting on parts.

- Never did I anticipate being so grateful to call farming my profession where I work in wide open spaces, and the cows hardly complain.

If it weren't obvious, we are living in unprecedented times. After reading this list, I can't help but laugh. I have found that it is so important to keep laughter in your life, because without laughter, you have nothing.

Of course, anger and frustration won't change anything, however, your membership with FarmFirst Dairy

Cooperative does. Having a seat at the table with national dairy leaders and a direct line of communication means that your concerns and challenges here in your rural Upper Midwest community are being heard in Washington, D.C. FarmFirst knows first-hand the price-increases, delays and other challenges farmers like us are experiencing every day. Improvements take time, and I know that they are advocating for change every chance they get.

As a member of FarmFirst Dairy Cooperative, you should take pride in the fact that the cooperative puts the best interests of its members first – when it comes to developing meaningful programs like our Milk Loss Income program, to delivering services like accurate component testing, to advocating for meaningful and valuable policy reform. FarmFirst leadership and our partners work hard to represent you on issues being discussed by our nation's policymakers. We look forward to taking today's vision and building tomorrow's success, walking in stride with you.

As the spring season quickly approaches, on behalf of all of us at FarmFirst, we wish you a prosperous year ahead. May the seeds we plant today bring a wonderful, profitable harvest in the future. 🌾

*Article by John Rettler,
 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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FarmFirst Shares Today's Vision for Tomorrow's Success at 2022 Annual Meeting

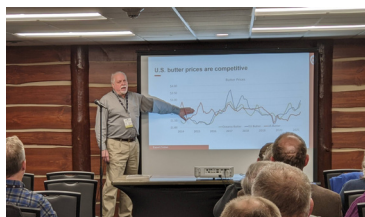
Today's Vision TOMORROW'S SUCCESS

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.



Dana Coale answering questions related to Federal Milk Marketing Orders.



Mark Stephenson sharing his forecast for milk prices in 2022.

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, producers will find themselves in a stronger position when working with an experienced agent.



Travis Glaser discussing risk management tools available to farmers.

visit us on
FarmFirstDairyCooperative.com

Call to Action: Support Senate Shipping Legislation



With the picture clear that shipping and ports related challenges impacting our dairy exports will remain for some time, we're asking members to voice your support for passage in the Senate of legislation

that would help alleviate the problem by addressing bottlenecks and discriminatory shipping practices.

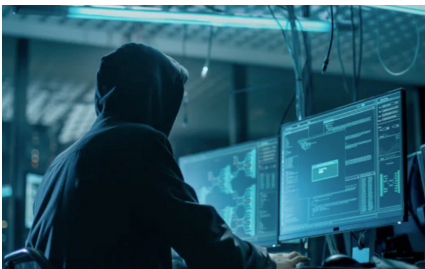
Sending a note to your two senators is easy by visiting www.FarmFirstDairyCooperative.com to ask for co-sponsorship and their

support of the Ocean Shipping Reform Act, (S. 3580), recently introduced by Senators Amy Klobuchar (D-MN) and John Thune (R-SD). The bill would help alleviate delays and disruptions at U.S. ports that have been a critical weak link in the export supply chain.

The bill requires ocean carriers to certify that all fees comply with Federal Maritime Commission guidelines. The bill also prohibits ocean carriers from unreasonably declining opportunities for U.S. exports and improves transparency into carrier practices, helping assure that ag exports, such as U.S. dairy products, move offshore.

The House passed a similar bill last December, but the Senate needs to follow suit in order to rectify the shipping delays and disruptions that have cost the dairy industry over \$1.3 billion in 2021. Please voice your staunch support for the bill and share the link with other dairy farmers to call attention to this important bill. [T](#)

Ukraine Invasion Expected to Generate Cyberattacks



During his press conference at USDA's Ag Outlook Forum in late February, Ag Secretary Tom Vilsack said it was "too early to tell" what the impacts will be from the Russian invasion, pointing to comments from USDA

Chief Economist Seth Meyer that noted the importance Russia and Ukraine play in the global grain trade.

"It will take time for the impact of this to be felt," Vilsack said.

Vilsack also declined to forecast the agricultural impacts of the Russian invasion of Ukraine. However, according to national security experts, the new land war in Europe is certain to generate cyberattacks on Western targets, including those potentially targeting farm and food-related businesses.

The Department of Homeland Security's Cybersecurity and Infrastructure Security Agency (CISA) just released a reminder to business leaders that military actions increasingly involve computer-generated attacks as well. As one example, CISA has just published an alert about a new malware, Cyclops Blink, used by Russian sources to target network devices. The Sandworm virus has been widely distributed since 2019 by malicious Russian IT specialists.

Clay Detlefsen, NMPF senior vice president of regulatory affairs, serves as the point person for the U.S. ag and food sectors collaborating with federal agencies on this topic, including the CISA. As the nation's cyber defense agency, CISA is available to help organizations improve cybersecurity and resilience, including through cybersecurity experts assigned across the country. In the event of a cyber incident, CISA is able to offer assistance to victim organizations and use information from incident reports to protect other possible victims. Please be sure your computer virus and malware prevention systems are up to date and on guard against increased hacking activity. [T](#)

Senate Approves Califf for FDA Commissioner



In mid-February, by a fairly close margin, the Senate approved the nomination of Dr. Robert Califf to lead the U.S. Food and Drug Administration, giving the agency a permanent commissioner for the first time during the Biden Administration. The bipartisan

vote was 50-46, with six Republicans voting for Califf and five Democrats voting against his nomination.

Califf will have a number of issues important to the ag and food industries on his agenda, including but not limited to FDA's regulation of products created using animal biotechnology, as well as feed additives that could reduce enteric methane output from cows. A priority for FarmFirst is to have FDA issue guidance this year on the mislabeling of dairy food imitators, an issue Califf pledged to look into when he was asked during his Senate confirmation process.

FarmFirst looks forward to working with Califf, particularly in addressing dairy labeling and bringing this issue across the finish line. [T](#)

FarmFirst Shares Today's Vision for Tomorrow's Success at 2022 Annual Meeting *(Continued from Page 2)*

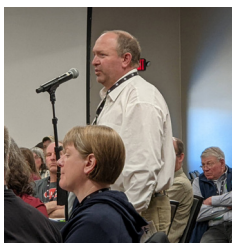
At the cooperative's business meeting the next day, President John Rettler of Neosho, Wis. reflected on how the past two years provided many unique challenges and just as many unique learning experiences. From this, he reminded fellow cooperative members to keep an optimistic perspective and to find 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.



The Districting & Resolutions Committee reviewing resolutions to approve.

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.

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



Member, Joe Bragger, providing comments.

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.



Mike Brown shares dairy insights from a retail perspective.

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.

Following the meeting, John Rettler of Neosho, Wis. was re-elected president of the FarmFirst Dairy Cooperative's board of directors. Other officers elected were Steve Brock of Daggett, Mich. to serve as vice-president, Kathy Bauer of Faribault, Minn. as secretary, and Bob Dietzel of East Dubuque, Ill. as treasurer. Newly elected to serve as the District 5 Director is Stephanie Hughes of Pittsville, Wis. 🐄

FarmFirst Encourages Additional Trade Strategy to U.S. Trade Policy Agenda: Seeking New Trade Agreements



FarmFirst Dairy Cooperative approves of the 2022 U.S. Trade Policy Agenda, with one additional provision missing: seeking new trade agreements.

FarmFirst Dairy Cooperative President,

John Rettler, dairy farmer, Neosho, WI issued the following statement following the release of the policy agenda:

"Maintaining trade relationships and expanding market access for U.S. dairy products is vital to the strength and continued growth of our domestic dairy industry. As such, FarmFirst applauds the priorities they outlined in the 2022 Trade Policy Agenda, valuing enforceable commitments from our trading partners and to develop forward-leaning strategies to uproot barriers to U.S. products.

Simultaneously, it is also important to seek out new trade agreements, especially as global competitors are negotiating trade deals in foreign markets, which is undermining U.S. export competitiveness. In 2020, U.S. dairy experienced growth in Southeast Asia by 30%, which was our number one market in 2020 for volume. A new overall record was also reached in 2020 for U.S. dairy exports, having exported 2.1 million metric tons of milk solids in 2020. This equates to \$6.6 billion in total exports and a 36% increase in value since 2016.

These staggering numbers prove that the U.S. has the means to produce high-quality dairy and to send it around the world to those who need it. The recently released Trade Policy Agenda focuses on the commitments we currently have while addressing any barriers. In addition to these two priorities, FarmFirst Dairy Cooperative is advocating for U.S. trade ambassadors to seek out additional opportunities for new trade agreements that further supports and bolsters the value of U.S. dairy exports." 🇺🇸

You're Invited!

FarmFirst's Happy Hour
Tuesday, March 29 at The Sanford Center
Central Plains Dairy Expo, Sioux Falls, South Dakota



Drinks & Appetizers Available from 4:30 p.m. - 7:00 p.m.

Enjoy a casual atmosphere with drinks and appetizers along with good camaraderie leading up to the evening entertainment of Charlie Berens at 7 p.m. Members will also receive FarmFirst apparel.

Questions or to RSVP? Call Betty at 715-491-9119.

2022 Scholarship Applications Now Available



Scholarship applications are available once again for the 2022 FarmFirst Dairy Cooperative scholarship program. The application deadline is **March 31, 2022**.

Use the online application for an easy and quick submission process! Applicants can submit their application directly online via our online submission form. Visit www.FarmFirstDairyCooperative.com/scholarships to access the form. Please confirm receipt of your application. Applications are available online at www.FarmFirstDairyCooperative.com or by calling 608-286-1909. Don't delay! Apply today. 🇺🇸

Special Thanks to our 2022 Annual Meeting Sponsors

FarmFirst would like to thank this year's Emerald sponsors including Charm Sciences, CoBank, Compeer Financial, Cooperative Network, Dairy.com, Dairy Management Inc., M3 Insurance, Tandem HR, Wisconsin Bank & Trust, Wisconsin Beef Council and the Wisconsin Livestock Identification Consortium as well as these Platinum sponsors featured here for their support of the cooperative. Thank you! 🇺🇸



JANUARY 2022

	UPPER MIDWEST		CENTRAL	MIDEAST
Order Name and Number	Order 30	Order 32	Order 33	
Producer Milk (lbs.)	2,494,602,781	1,254,988,278	1,542,003,520	
Producer Price Differential @ base zone	\$ 0.21	\$ 0.71	\$ 0.96	
Statistical Uniform Price/cwt @ 3.5% BF*	\$ 20.59	\$ 21.09	\$ 21.34	
Class I Price/cwt	\$ 21.51	\$ 21.71	\$ 21.71	
Class II Price/cwt	\$ 22.83	\$ 22.83	\$ 22.83	
Class III Price/cwt	\$ 20.38	\$ 20.38	\$ 20.38	
Class IV Price/cwt	\$ 23.09	\$ 23.09	\$ 23.09	
Component Prices & Test Avg. % aves				
Butterfat/lb.	\$ 2.9567	4.25%	4.21%	4.14%
Protein/lb.	\$ 2.3563	3.30%	3.35%	3.31%
Other Solids/lb.	\$ 0.52490	5.79%	5.79%	5.78%
SCC Adjust Rate/1000	\$ 0.00095			
Producer Milk Classified %				
Class I	8.50%	30.22%	36.00%	
Class II	1.40%	7.53%	10.40%	
Class III	89.00%	49.58%	45.20%	
Class IV	1.10%	12.67%	8.40%	
	100.00%	100.00%	100.00%	



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**Read more about the
2022 Annual Meeting!**

The Rally Continues!

Take advantage of the continued rally in milk prices



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

As a dairy farmer, you want the greatest price for the product you work so hard to produce. Our studies show that over time producers get the greatest price at the bulk truck which means capitalizing on rallies such as the one we are experiencing. How do you capitalize on these rallies while still being protected? LGM-dairy and Dairy-RP are both tools that put a floor on your milk giving you the peace of mind while participating in price rallies.

ARM Services, LLC is an ag risk management company dedicated to serving farmers by providing dairy, crop and farm insurance options that work for your needs and that meet the goals for your farming operation.

Let ARM Services help you analyze these tools to build a successful plan. **Call Travis Glaser at 715-456-5607 to learn how they can protect your milk price.**

