

MILKLINE

NEWSLETTER

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What Can We Expect from Congress in 2023?



As the 118th Congress begins to tackle their legislative agenda, FarmFirst asked our advocacy partners for their views on the year ahead for dairy policy including the 2023 Farm Bill. Read the responses below from Paul Bleiberg, Senior Vice President of Government Relations for the National Milk Producers Federation, and Steve Etko, Executive Director and lobbyist for the Midwest Dairy Coalition.

Question: *The 15-rounds of voting required to elect Kevin McCarthy as House Speaker is unprecedented in U.S. history. With his narrow victory, there are early indicators that it will be difficult to pass legislation. What challenges do you anticipate and how will Speaker McCarthy resolve them? What role will House Democrats play? With the Senate remaining in control by the Democrats, how do you see the Senate working with the*

House? What will be their priorities?

BLEIBERG: Given divided government, any bills will require bipartisan support to become law. The two parties are expected to work together on government funding, the farm bill, the annual defense bill, and several health and transportation-related measures. However, with a narrow majority, House Republicans can only lose a small number of their members on any vote without Democratic support. Democratic votes will be needed to pass any final compromise legislation. Speaker McCarthy may face pushback from some of his members when these votes come up, especially on the debt limit and government funding. In those cases, he will likely hold votes on Republican-backed bills to unite his members on a position in advance of any final compromise measure. The 2011 debt limit negotiation played out similarly, where House Republicans voted on several Republican-only proposals before reaching a final agreement with Senate Democrats and President Obama.


ETKA: There is no question that Speaker McCarthy has a tough road ahead in getting legislation passed through the House. The members of the House Freedom Caucus, the most conservative members of the House, flexed their collective muscle to force McCarthy to make promises and establish rules that give the conservatives greater leverage over his Leadership. This puts him in a very awkward position going forward.

To get anything passed, McCarthy will

have to put forward legislation that meets the demands of far-right Freedom Caucus members without losing the votes or more moderate Republicans, or he's going to have to craft bipartisan legislation that will gain enough votes to offset the votes he will lose from the Freedom Caucus. Going the bipartisan

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Official Notice: FarmFirst Dairy Cooperative 11th 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 8:30 a.m., Saturday, February 11, 2023 at the Holiday Inn Hotel & Convention Center, 1001 Amber Ave, Stevens Point, Wis. for and in consideration of action upon any and all matters which may lawfully come before said meeting will continue until the disposition of all proper business. Dated this 20th day of January 2023, by: John Rettler, President. 



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Attend FarmFirst’s Producer Discovery Workshops on Friday, Feb. 10 in Stevens Point

FarmFirst Dairy Cooperative welcomes dairy farmers to attend the cooperative’s Producer Discovery Workshop series as part of its 2023 Annual Meeting taking place on Friday, February 10, 2023 at the Holiday Inn Hotel & Convention Center in Stevens Point, Wis.



‘Members Make the Difference’ is the cooperative’s 2023 Annual Meeting theme, which showcases the vital role cooperative members have in providing guidance for the cooperative’s programs and legislative priorities. With a full decade of advocacy and expansion of educational opportunities, FarmFirst can attribute its success to the membership’s values in grassroots leadership and industry expertise. Participating in the cooperative’s workshop series allows for members to ask industry experts questions that allow them to be more informed about programs and regulations that impact their farm.



1:15 p.m. U.S. Dairy: Working Together to Collectively Impact Sustainability

Jennifer Block, Senior Vice President of Dairy Community Relations at the Innovation Center for U.S. Dairy

The Innovation Center for U.S. Dairy was created through the dairy farmer checkoff to address growing global sustainability issues and opportunities. The Innovation Center is aligned behind a framework of shared priorities, goals, work, and metrics that inspires new belief in dairy and positions U.S. dairy as a relevant and credible solution for a more sustainable future. Learn how the industry is working to build trust and increase dairy customer confidence through this industry-wide sustainability platform.



2:45 p.m. Legislative Update: Your Cooperative Voice Advocating for Agriculture

Jennifer Wickman, Wisconsin Government Affairs Director for Cooperative Network

As the trusted voice for cooperatives and their members, Cooperative Network advocates in the state capitols of Wisconsin and Minnesota and has a long and successful history of lobbying on local and statewide agriculture issues. With State Budgets being the focus in 2023, farmers will want to attend this session for a glimpse of the lobbying priorities of Cooperative Network on the issues that will affect dairy farmers and their businesses.

There is no cost to attend, however attendees are asked to make reservations to ensure sufficient seating. Call Julie at 608-286-1909 by February 7 to make a reservation. For more information about FarmFirst Dairy Cooperative’s 11th Annual Meeting and to learn more about the guest speakers, please visit www.FarmFirstDairyCooperative.com.

visit us on FarmFirstDairyCooperative.com

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What Can We Expect from Congress in 2023?

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route seems logical, given the narrow margins of the Republican control in House, but the Freedom Caucus members have threatened to force a vote to remove McCarthy from his Speaker position if he seeks a bipartisan path. This is not an enviable position for the new Speaker.

Question: *With the appointment of many newly elected Republican members to the House Agriculture Committee, and only a handful of returning members that worked on the 2018 Farm Bill, what might this mean for the 2023 Farm Bill and other agricultural related legislation?*

BLEIBERG: The large number of new members underscores the importance of education, so it'll be critical for all of us in agriculture to connect with new members and their staffs and educate them on the importance of passing a strong farm bill and other agricultural priorities. The House Agriculture Committee is likely to hold a number of farm bill-related hearings early this year, which will help bring members up to speed. The vast majority of new committee members hail from agricultural districts, so they'll be invested in working to pass a new farm bill.

ETKA: While it's nice to have Farm Bill veterans on the Agriculture Committees, new members create new opportunities to tell the dairy story. Without a doubt, it will require those of us in Washington and those of you back home, to step up our game to engage the new members. The dairy story is a good one, so I'm looking forward to working with the members of FarmFirst, and the rest of Midwest Dairy Coalition to make those connections.

Question: *Nutrition programs have traditionally been included in Farm Bills to ensure bi-partisan support for the Farm Bill. There has been some discussion about addressing nutrition programs separately. Is that the consensus of Congress or do you believe nutrition programs will stay in the Farm Bill?*

BLEIBERG: Nutrition programs will remain in the farm bill, as key agricultural policy leaders in both parties have stressed in recent months. There may be a nutrition policy debate, but there would not be the votes to pass a farm bill into law without the nutrition title being included.

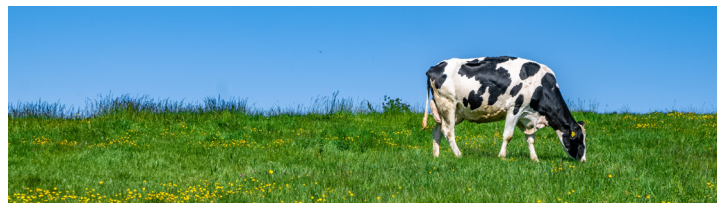
ETKA: Before the Farm Bill makes it across the finish line, I expect a bumpy road of partisan fighting, not so much on dairy policy, but on differences of opinion about USDA nutrition programs, such as the SNAP program, formerly known as the Food Stamp program.

Getting a Farm Bill passed through the House requires a strong partnership between Members from rural areas and those from urban and suburban areas. Many folks do not know that 75 to 80 percent of Farm Bill funding goes toward USDA nutrition programs. Farmers are a small percentage of the U.S. population, and there are more Members from urban or suburban areas..

Incoming House Agriculture Committee Chairman Glenn "GT" Thompson and Speaker McCarthy are under a great deal of pressure from House Republicans to impose stronger limitations of access on the SNAP program and to cut SNAP funding overall. This pressure is particularly strong from the far right members of the Republican Party in the House, the same ones who voted against McCarthy for Speaker. Whatever you think about the SNAP program, the House Democrats and many Republican moderates will strongly oppose big SNAP program cuts, which could jeopardize the rural-urban Farm Bill partnership in the House.

Dairy products, while very nutritious, are expensive in the grocery store relative to other foods. The SNAP program helps lower-income Americans afford to buy dairy products. Also, maintaining bipartisan support for the Farm Bill is necessary for us to achieve our dairy policy goals.

It's my hope that with the Senate narrowly controlled by Democrats and the House narrowly controlled by Republicans, this will send a strong signal to the Congressional Agriculture Committee leaders that a bipartisan approach to the Farm Bill is the only logical path to getting the new Farm Bill passed.



Question: *In the current economic and political climate, what can dairy expect with respect to making improvements to the Dairy Margin Coverage program and other programs that support dairy?*

BLEIBERG: Overall, the Dairy Margin Coverage has functioned as an effective safety net, providing much more meaningful support to producers than its predecessor. The larger fiscal debates, including on the debt limit, may heavily influence the course of other legislation. This may impact whether new resources are available to enhance the farm bill. It is more likely that the safety net may be tweaked in a targeted manner than substantially overhauled as was done in the last two farm bills. This could include an adjustment to the production history calculation, to make that calculation more current.

ETKA: The Midwest Dairy Coalition's top priority is to have an effective safety net for dairy farmers. One of the huge assets we have going into the 2023 Farm Bill debate is that both House Agriculture Committee Chairman Thompson and Senate Agriculture Committee Chairwoman Debbie Stabenow are big champions of dairy.

In that regard, the Dairy Margin Coverage (DMC) Program has

County Regulations to Limit Milk Trucks

Chippewa County, Wisconsin is looking to apply new rules to milk truck haulers driving on their county roads this coming spring.

Milk trucks traveling on county roads to the 177 dairy herds across Chippewa County will be required to pay a \$100 permit fee per milk truck. To receive the necessary permits, milk haulers will need to attend a mandatory meeting to review the required permitting procedures before traveling those county roads.

Unfortunately, this is not the first time a Wisconsin county has placed road restrictions specific to the dairy industry. Neighboring Price County attempted to limit milk truck traffic before state dairy leaders intervened.

County Roads Are Being Damaged

In March of 2021, the County Highway Department was forced to close County Highway F due to damage from unknown heavy loads being hauled during the annual spring road ban period, according to Brian Kelley, the Highway Commissioner for the Chippewa County Highway Department. "The financial impact to the county taxpayers for the damages to this seven-mile stretch of payment has now exceeded \$1.7 million," he stated.

Two public meetings were held in 2022, with some representatives for the dairy industry present, including several local milk haulers, one dairy farmer, the Wisconsin Farm Bureau and Organic Valley Co-op. No other processors or cooperatives were notified or involved in these meetings.

In an effort to prevent damage to county roads, the highway commissioner is attempting to increase awareness of the county road weight limits and their importance while also invoking new permits and fees on milk trucks.

However, dairy seems to be isolated as the sole perpetrator for the damages to the county's road. No other industry is being required to obtain permits.

Advocating for Dairy

Simply put, damaged roads are frustrating and expensive to repair.

The other simple fact about roads is that many, many heavy trucks drive them. Not just milk trucks.

The issues being addressed in Chippewa County are not unique to them and ensuring Wisconsin's transportation infrastructure remains viable and safe is important for all Wisconsin residents.

However, placing these new permits on only milk haulers clearly suggests that only dairy is to blame for the damage to these county roads when several other industries are being left out of the discussion and the blame.

Just recently, the Wisconsin Milk Haulers Association came out in opposition to the \$100 per truck fee, with Wisconsin Milk Haulers Association administrator, Dan Johnson saying, "According to the [highway commissioner's] comments, a county road was forced to closed due to 'damage from unknown heavy



loads being transported during the annual spring road ban period.' There is no mention of any incident where commercial milk trucks are shown to be the sole reason for the road damage, yet the highway department has unilaterally made such a determination and proposed a \$100 per truck commercial milk truck permit," wrote Johnson to Chippewa's Highway Commissioner. "Failure to obtain said permit may lead to sanctions and restrictions against milk haulers. No other type of commercial motor vehicle is required to obtain this type of permit from the County; thus the Association can only conclude the permit is discriminatory on its face value."

As stated in the Hoard's Dairyman article, several trucks are permitted by state laws to legally haul loads heavier than the seasonal postings. These three exemptions include:

- A. A vehicle that is used to transport material pumped from a septic or holding tank;
- B. A vehicle operated by a public utility, such as a telecommunications provider;
- C. A motor vehicle that is being operated to deliver propane for heating purposes.

This list seems to focus on some essential areas of living so that a household may have a functioning toilet, connectivity to the internet and phone lines, as well as access to heat. Unfortunately, they have missed that some residents might actually be producing food for these same residents.

Yes, the damage to the roads needs to be addressed, but in no way is dairy the only industry to blame or the only sector to be part of the solution.

FarmFirst Dairy Cooperative has been working with other partners across the region to address this issue with a unified voice and to ensure that dairy is not the only party receiving the blame and paying for the repairs. Together, a more viable, long-term solution can be reached to maintain Wisconsin's transportation infrastructure. With the state budget discussion under way, FarmFirst is advocating for no less funding for local roads, highways and bridges.

Special thanks to Hoard's Dairyman for featuring the topic and bringing the issue to light. Information in this article was referenced from the Hoard's Dairyman's article, 'A Wisconsin county looks to limit milk trucks' written by Corey Geiger which was published on January 9, 2023. 🙏

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proven to be a very important risk management tool for dairy farmers. We are asking for a few updates to the program:

- Increase the 5-million-pound annual production threshold between lower Tier I premiums and the higher Tier II premiums to 8 million pounds, to reflect the growth in average dairy herd size since the 2018 Farm Bill.
- Merge the updated production history concept of the Supplemental DMC Program into the base DMC Program to allow an update to 2022 production levels. (The production history currently used is based on a dairy farmer's highest production from 2011, 2012 or 2013. As part of the Consolidated Appropriations Act of 2019, Congress established a parallel program, the Supplemental DMC Program, to allow dairy farmers under 5 million pounds of production history to receive a supplemental DMC payment based on their 2019 production history.)
- Increase the top DMC margin level from \$9.50 to \$10.00 per hundredweight, to partially reflect the increased costs of non-feed inputs used by dairy farmers. Allowing an increase in the top DMC margin would help address this concern, without complicating the program.

Updating the DMC program in these ways will add extra cost to the program. I see the pendulum in federal spending shifting back, and the pressure to cut programs growing. These recommendations will not be easy to achieve, which is why we all need to work together to make the case for these updates.

Question: *In addition to the 2023 Farm Bill, what other agriculture related issues will be a priority for Congress? What are the priorities for your organization?*

BLEIBERG: NMPF will continue to seek passage of bipartisan agricultural labor reform legislation that provides current dairy farm workers and their families with permanent legal protection and opens the H-2A ag visa program to dairy and other year-round workers. In addition, we will seek greater emphasis on trade and market access. We will work to build on last year's successes on sustainability policy, working to advance further measures that provide dairy farmers the tools needed to fulfill their voluntary, producer-led 2050 environmental stewardship goals. Finally, we will continue working to build support for the bipartisan Whole Milk for Healthy Kids Act to allow schools to serve all milk varieties and the bipartisan DAIRY PRIDE Act to compel FDA to enforce dairy standards of identity. While the farm bill is a focal point for some of these and other issues, the annual government funding process and other vehicles may also present opportunities to advance our priorities in this session.

ETKA: There are many other issues that FarmFirst and other members of the Midwest Dairy Coalition are working on outside of the Farm Bill, including:

- Reforming the Federal Milk Marketing Order system to ensure that it works more effectively for dairy farmers of the Upper Midwest and their cooperatives.
- Expanding international trade opportunities through new trade agreements that expand access for U.S. dairy products and protecting the right of U.S. dairy farmers and cheese manufacturers to export cheese using common cheese names like parmesan, asiago, and feta.
- Passing agricultural workforce legislation to provide an effective guest-worker program that ensures the year-round availability of immigrant labor for dairy farms, and to permit those currently employed or with employment history in the U.S. to earn the right to work here legally.
- Protecting the integrity of dairy in the marketplace, by prohibiting the use of the terms like "milk" and other dairy names on non-dairy products, and
- Expanding the role of milk and dairy products in school lunches and other USDA nutrition programs. 🇺🇸



Paul Bleiberg (left photo) is the Senior Vice President of Government Relations for the National Milk Producers Federation, and Steve Etko is the Executive Director

and lobbyist for the Midwest Dairy Coalition.

2023 Scholarship Applications Now Available



Scholarship applications are available once again for the 2023 FarmFirst Dairy Cooperative scholarship program. The application deadline is **March 31, 2023**.

Please review the application for student eligibility and criteria, and ensure all pieces of the application are submitted. Applications are available online at www.FarmFirstDairyCooperative.com or by calling 608-286-1909.

Use the online application for an easy and quick submission process! Applicants can once again submit their application directly online via our online submission form. Visit www.FarmFirstDairyCooperative.com/scholarships to access the online form. Please confirm receipt of your application. Printed copies must be received or postmarked by March 31, 2023 to be considered. 🇺🇸

DECEMBER 2022

Order Name and Number	UPPER MIDWEST	CENTRAL	MIDEAST
	Order 30	Order 32	Order 33
Producer Milk (lbs.)	3,174,624,999	1,319,322,483	1,384,834,581
Producer Price Differential @ base zone	\$ 0.23	\$ 0.90	\$ 1.31
Statistical Uniform Price/cwt @ 3.5% BF*	\$ 21.30	\$ 21.40	\$ 21.81
Class I Price/cwt	\$ 24.38	\$ 24.58	\$ 24.58
Class II Price/cwt	\$ 23.11	\$ 23.11	\$ 23.11
Class III Price/cwt	\$ 20.50	\$ 20.50	\$ 20.50
Class IV Price/cwt	\$ 22.12	\$ 22.12	\$ 22.12
Component Prices & Test Avg. % aves			
Butterfat/lb.	\$ 3.1539	4.32%	4.25%
Protein/lb.	\$ 2.6568	3.33%	3.39%
Other Solids/lb.	\$ 0.26520	5.77%	5.77%
SCC Adjust Rate/1000	\$ 0.00103		
Producer Milk Classified %			
Class I	5.60%	29.26%	39.40%
Class II	0.90%	5.71%	6.30%
Class III	93.00%	55.01%	49.70%
Class IV	0.50%	10.02%	4.60%
	100.00%	100.00%	100.00%



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Attend FarmFirst's Workshops on
Feb. 10 - More Info Inside!

Join Us for
**Happy
Hour**



Tuesday, March 28
4:30 – 7:00 p.m.
Denny Sanford Center
Hospitality Rooms 6 & 7



Enjoy a casual atmosphere with drinks and appetizers along with good camaraderie leading up to Tuesday's entertainment at 7 p.m.

Members will receive FarmFirst apparel.

