

MILKLINE

NEWSLETTER



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Gearing Up for 2023 Farm Bill and the Dairy Pride Act



Recently, I was in Washington D.C. attending the National Milk Producers Federation board of directors meeting where we took action on several issues and received various reports from NMPF staff which included the 2023 Farm Bill and the Dairy Pride Act.

While I was there, I had the opportunity to meet with Senator Amy Klobuchar from Minnesota, legislative staff for Senator Tammy Baldwin of Wisconsin and Derrick Van Orden, the newly elected Representative from Wisconsin, who represents western Wisconsin. Joining me were Steve Schlangen, dairy farmer and Chairman of the Board for AMPI, and Steve Etko, our D.C. based lobbyist for the Midwest Dairy Coalition.

At the meetings, I expressed FarmFirst's continued support for the Dairy Margin Coverage program as it

has proven to be a very important risk management tool for dairy farmers. During the meetings, we asked for

are several members of Congress interested in cutting spending for nutrition assistance programs and a

“I was encouraged with the genuine interest of the legislators to support these priorities... I know that with FarmFirst’s work, the work of our partners and FarmFirst members, we have a great opportunity for success.”

the following enhancements to the program.

- Increasing the five million-pound annual production limit for Tier I premiums to eight million pounds to address the growth in average dairy herd size.
- Updating the production history used for Tier I by incorporating the updated production history concept from the 2019 Supplemental DMC payments.
- Increasing the top DMC margin level from \$9.50 to \$10.00 per hundredweight, to partially offset costs of non-feed inputs.

As you might guess all of our enhancements have a price tag and the Congressional Budget Office (CBO) has not yet “scored” these DMC program changes so we will have wait and see which updates are doable or if we will need to find additional funding.

At my meetings, we also discussed the Nutrition Title which is extremely important when it come to getting enough votes to pass a Farm Bill. As you may have heard or read, there

compromise will be needed in order to get the necessary votes to pass the Farm Bill.

At the NMPF board meeting, Representative Glenn “GT” Thompson of Pennsylvania and Chairman of the House Agriculture Committee and a great supporter of the dairy industry, came to discuss his priorities for the Farm Bill and I asked him about the Nutrition Title.

Chairman Thompson responded by saying that our nutrition programs need to be innovative and flexible, focus on independence (provide a helping hand, not a handout), have integrity, and promote health eating. I wholeheartedly agree with his goals.

The other issue discussed was the recent introduction of the Dairy Pride Act in both the Senate and the House. Senator Tammy Baldwin is the lead author in the Senate and several Upper Midwest Senators and members of the House of Representatives have cosponsored the bill

The bipartisan legislation requires the

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MILK MARKETING FIELD STAFF

Jeff Bradley - *Columbus, Wis. 608-516-3624*

Cheryl Zablocki-Wagner - *Seymour, Wis. 920-901-2173*

MAILING ADDRESS

P.O. Box 14380
Madison, WI 53708-0380

MADISON OFFICE

4001 Nakoosa Trail, Suite 100
Madison, WI 53714
(608) 244-3373

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Gearing Up for 2023 Farm Bill and the Dairy Pride Act *Continued from Page 1*

Food and Drug Administration to fully enforce its own regulations with respect to the proper labeling of milk and the misuse of labeling by plant-based and other imitation milk and dairy products.

As you may know, the FDA recently released a proposed guidance on the labeling of plant-based beverages, which falls short of what the dairy industry wants or consumers deserve, and equally short of full enforcement of FDA's own standards of identity regulations for milk labeling.

The portion of FDA's guidance that does improve the consumer marketplace is front-of-packaging disclosures by plant-based beverages of the nutritional inferiority of their product to milk. While it does not have the same strength as regulation and the FDA guidance is not binding, most companies chose to follow such voluntary FDA guidance for fear of bad publicity or legal challenges. The guidance document may provide momentum to get the Dairy Pride Act passed.

Dairy farmers have an opportunity until April 24 to comment on the FDA guidance document and can get the proper link and additional information within this edition of Milkline.

I was encouraged with the genuine interest of the legislators to be as helpful as possible and support these two priorities. I am not naïve enough to think getting the Farm Bill or the Dairy Pride Act passed will be a slam dunk, but I know that with FarmFirst's work, the work of our partners and FarmFirst members reaching out to members of Congress asking for support, we have a great opportunity for success. 🙌

Article by Jeff Lyon
FarmFirst Dairy Cooperative

**Bauer Family
Excels with
High Quality
Milk**



Earlier this year, Minnesota dairy farmer and FarmFirst board member, Kathy Bauer was recognized along with her husband, Randy, and their son, Glen, for their

continued achievements in the milking parlor. Earning a seventh Platinum National Dairy Quality Award, this eastern Minnesota herd has set the bar high when it comes to keeping mastitis at bay and producing quality milk. Like all the Platinum herds earning an award by the National Mastitis Council, RKB Dairy uses mastitis vaccines on its entire herd, and they have relied on DHIA SCC reports and the CMT paddle to identify cows with subclinical mastitis. The Bauers also place a high standard on attention to detail and it has paid dividends in milk quality. The Bauer's and other award-winning herds were recognized in the January edition of Hoard's Dairyman.

Congratulations, Kathy, Randy and Glen! 🙌

Make Your Voice Heard By April 24 On FDA Guidance On Labeling Of Milk



The Food and Drug Administration (FDA) released Feb. 22 its long-awaited draft guidance on “Labeling of Plant-Based Milk Alternatives

and Voluntary Nutrient Statements.” The guidance, intended to “help ensure appropriate labeling of plant-based products that are marketed and sold as alternatives to milk,” encourages manufacturers of plant-based beverages that choose to use dairy terms to voluntarily disclose their nutritional differences with real milk, for example adding the phrase “contains a lower amount of

potassium than milk” near a term like “Oat Milk” on the label. That’s a big win for dairy advocates and consumers concerned about the confusion over nutritional content created in the marketplace by mislabeled beverages. But it doesn’t go nearly far enough to resolve this issue: FDA needs to enforce its own standards of identity and limit dairy terms to real dairy products.

You can help us tell FDA that dairy terms shouldn’t be used on plant-based beverages in one of two ways: by going directly to FDA’s website <https://www.regulations.gov/commenton/FDA-2023-D-0451-0002> or by personalizing an easy-to-send message on the NMPF website. Just click on the “red box” on the NMPF home page and follow the instructions.

Remember your comments must be submitted by April 24. 

EPA’s Waters of the U.S. Rule Takes Effect Under Cloud of Scrutiny

The Biden administration’s Waters of the United States (WOTUS) rule took effect on Monday, March 20 except in Texas, and Idaho, but the uncertainty about the regulation will delay any enforcement for the time being.

The new Biden Administration proposal, while not a complete return to the problematic rule adopted in 2015 during the Obama Administration, still features ambiguity about which streams are regulated. The new rule did not heed the input that NMPF offered last year about providing certainty and clarity for dairy producers.


After EPA released its proposal over the winter, several farm groups then filed a lawsuit to overturn the measure nationwide. The same week the Biden administration rule went into effect, a court in Texas granted a limited injunction in only two states: Texas and Idaho. The regulation’s future is also expected to be impacted by the outcome of the Sackett v. EPA Supreme Court case. That decision

is expected by early summer.

Meanwhile, the Senate passed a bill in late March overturning the controversial WOTUS regulation developed



by the Biden Administration, but the margin of victory, 53-43, is not enough to override an expected White House veto. The House voted in early March, 227-198, to overturn the regulation, but that margin, too, is not enough to overcome White House objections.

FarmFirst supports the WOTUS language adopted during the Trump Administration and our policy supports the implementation of rules based on a clear, consistent, and reasonable definition of what constitutes Waters of the United States. 

U.S. Cheese Producers Win Major Victory with Gruyere Ruling

U.S. cheese producers won a significant victory March 3 when the U.S. Court of Appeals for the Fourth Circuit ruled that “gruyere” is a common name for a variety of cheese, and not a designation of geographic origin.

The win came after intense efforts by the NMPF trade policy team, working with the U.S. Dairy Export Council (USDEC) and the Consortium for Common Food Names (CCFN) to secure the key legal victory against French and Swiss groups seeking to appropriate the name “gruyere” in the U.S. market. The ruling means that U.S. gruyere producers can continue to market and sell gruyere in the United States. It also sets an excellent

precedent that helps ensure common food names will be protected domestically against EU efforts to erect nontariff trade barriers by appropriating them for their exclusive use.

Capturing the momentum from the Court of Appeals’ ruling, the trade policy team, who also staff CCFN, will continue to work alongside USDEC to secure firm and clear commitments assuring the future use of common cheese names at risk of EU confiscation. CCFN release a video in March explaining the organization’s work and challenges; learn more about CCFN’s work by watching it here. 

Dairy Defined: Be It Bank or Beverage, Choices Matter

Written by Alan Bjerga, Senior Vice-President of Communications at NMPF

While we'll leave fuller explanations for the turmoil financial institutions such as Silicon Valley Bank, Signature Bank, and others to those with more expertise, it's clear that good-old-fashioned poor choices played a role.

It turns out that betting heavily on low-interest government debt when that government is hiking interest rates to fight inflation might not work well; nor is overloading your portfolio on cryptocurrency. And given that propensity for bad bets, it isn't shocking to see what Silicon Valley Bank had to say about plant and cell-based meat-and-dairy alternatives in this 2019 analysts' report, which mixed tired tropes of the ills of animal agriculture with boosterism for the future of dairy rip-offs like Ripple and Perfect Day as well as alt-protein companies like Beyond Meat, which "has wowed consumers with its realistic taste and meat-like appearance," according to the authors.

"At Silicon Valley Bank, we embrace the future of the food industry. We have deep expertise working with food tech companies and strong ties to the Silicon Valley ecosystem," the analysts wrote. "If you are working in this space and would like to learn more about SVB's role, please reach out to chat."

Of course, we know that that turned out. Beyond Meat stock is now considered a "recipe for disaster" due in part because of its wildly self-inflated expectations. Plant-based beverage sales fell last year. And Silicon Valley Bank? It's now part of First Citizens Bank & Trust Company after being unloaded by the Federal Deposit Insurance Corporation, which took over the institution upon Silicon Valley's failure.

So yes, perhaps it's time to "reach out to chat." About

how venture capital investors have thrown good money after bad at products of questionable quality that are more about marketing pitch than actual market need. About how banks seeking a quick buck put depositors at risk with poor investment choices, which include those products. And about how high-quality, proven nutrition, with a product that's been

"Dairy, like every other industry, has its challenges, which it's dedicated to meet. But with record exports and the highest U.S. per-capita consumption since 1959, it's a safe bet to say its future is bright. That's what you get with real quality."

in demand for millennia, might, unsurprisingly, be the best investment anyone could make – both for consumers and for investors who'd happily have a little less drama in their financial futures.

Dairy, like every other industry, has its challenges, which it's dedicated to meet. But with record exports and the highest U.S. per-capita consumption since 1959, it's a safe bet to say its future is bright. That's what you get with real quality.

You can bank on it. 



Alan Bjerga joined NMPF in October 2018 as its new Senior Vice President of Communications. In this role, he leads NMPF's communications efforts, focusing on media relations, marketing and digital storytelling. This article originally appeared in NMPF's Dairy Defined weekly feature.



New Report Reveals Growing Footprint, Influence of Food & Ag Sector in U.S. Economy

Feeding The Economy, an economic impact study reveals new data on jobs, wages, and economic output at district, state, and nationwide levels.

In March, 25 food and agriculture groups released the seventh annual Feeding the Economy report, revealing food and agriculture industries and their suppliers contribute over \$8.6 trillion to the U.S. economy, nearly one-fifth of total national output and a 22% increase since the 2019 report. Providing data on jobs, wages, and economic output, this farm-to-fork analysis illustrates the food and agriculture sector's impact on local and nationwide economic activity. The data also underscores the sector's resilience and reliability amid unprecedented global and domestic crises, including the commodity shock following the war in Ukraine and continued supply chain disruptions.

This year's report shows the U.S. food and agriculture sector directly supports nearly 23 million jobs, provides \$927 billion in wages, and is particularly vital to rural communities across America. Notably, the 2023 report reveals that the manufacturing of agricultural products accounts for nearly one-fifth of total manufacturing jobs in the U.S. Overall, more than 46 million jobs are supported across the food and agriculture supply chain, increasing nearly 2% since the 2019 report despite the economic challenges and disruptions associated with the global pandemic.

All 50 states increased economic output in the 2023 report compared to the 2022 report, largely reflecting a rebound in national economic activity. Key findings from national data

include:

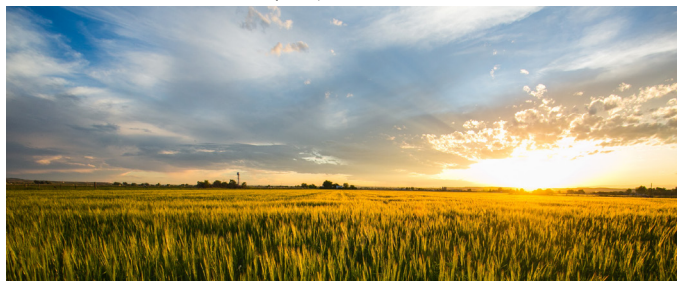
Total Jobs: 46,283,917 (up 1.5% since the 2019 report)

Total Wages: \$2.61 trillion (up 26.2% since the 2019 report)


Total Taxes: \$947.93 billion (up 3.8% since the 2019 report)

Exports: \$202.2 billion (up 24.4% since the 2019 report)

Total Food and Ag Industry Economic Impact: \$8.6 trillion (up 21.8% since the 2019 report)



The strength and growth highlighted in this year's report reinforce that agriculture is evolving and innovating to meet the demands of the 21st century. According to the U.S. Department of Agriculture, between 1948 and 2019, land use for agriculture decreased by 28% while land productivity grew nearly four times and labor productivity grew more than 10 times. In fact, agriculture's total factor productivity growth rate is among the highest of U.S. sectors.

The latest report can be found at www.FeedingTheEconomy.com. 

Dairy Leaders Unanimously Endorse NMPF Milk-Pricing Plan at March Meeting



NMPF's Board of Directors unanimously endorsed March 7 a proposal to modernize the Federal Milk Marketing Order (FMMO), a milestone that caps more than two years of discussion and more than

130 meetings on different aspects of the proposal.

The plan approved at NMPF's March board meeting would reinvigorate the FMMO system, which guides milk pricing, to reflect an industry that's evolved significantly since the last comprehensive revamp in 2000. It's a proposal all dairy can get behind, said Randy Mooney, chairman of NMPF's board of directors and a dairy farmer from Rogersville, MO.


"After gathering dairy's best minds and consulting with partners across the industry, today we are moving forward with a comprehensive FMMO proposal the entire industry can get behind," Mooney said. "We look forward to leading a thorough, deliberative process as we submit this proposal to

USDA and partner with our allies to modernize milk pricing in ways that serve dairy farmers and the entire industry."

The board reviewed a package of changes initially developed and proposed by a task force of NMPF cooperative experts and later approved by the organization's Economic Policy Committee. The adopted changes, listed here, reflects the industry's evolution while benefiting the farmers who form the bedrock of U.S. dairy.

With the board's approval, NMPF's next step is to move toward submitting the proposal to USDA as the basis for a federal order hearing while continuing conversations with other dairy stakeholder partners, a move expected in late April. NMPF President and CEO Jim Mulhern said the organization stands ready to assist farmers, the dairy industry and federal officials in any way it can as the process unfolds.

"We believe in a better future for this industry, and this proposal will help build that future," he said.

A federation of dairy cooperatives, NMPF embodies the spirit of farmer self-help and community leadership. 

FEBRUARY 2023

Order Name and Number	UPPER MIDWEST	CENTRAL	MIDEAST	
	Order 30	Order 32	Order 33	
Producer Milk (lbs.)	2,708,234,832	1,357,681,083	1,437,726,519	
Producer Price Differential @ base zone	\$ 0.31	\$ 1.21	\$ 1.74	
Statistical Uniform Price/cwt @ 3.5% BF*	\$ 18.09	\$ 17.78	\$ 20.82	
Class I Price/cwt	\$ 22.58	\$ 22.78	\$ 22.78	
Class II Price/cwt	\$ 20.83	\$ 20.83	\$ 20.83	
Class III Price/cwt	\$ 17.78	\$ 17.78	\$ 17.78	
Class IV Price/cwt	\$ 18.86	\$ 18.66	\$ 18.86	
Component Prices & Test Avg. % aves				
Butterfat/lb.	\$ 2.7178	4.25%	4.21%	4.13%
Protein/lb.	\$ 2.3650	3.29%	3.35%	3.27%
Other Solids/lb.	\$ 0.21010	5.76%	5.79%	5.78%
SCC Adjust Rate/1000	\$ 0.00091			
Producer Milk Classified %				
Class I	5.70%	25.69%	34.70%	
Class II	0.90%	7.13%	6.30%	
Class III	92.90%	47.44%	45.60%	
Class IV	0.50%	19.74%	13.40%	
	100.00%	100.00%	100.00%	



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53708-0380

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Happy Earth Day on April 22!

Thanks for Stopping by FarmFirst Dairy Cooperative's Booth!

FarmFirst staff enjoyed catching up with dairy farmers and members at the various tradeshow this past month.

