

# MILKLINE

NEWSLETTER



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## Helping Farmers - Our Mission and Vision



I recently received a message through our FarmFirst Facebook page from a gentleman who simply wrote, “How do you help farmers?” I proceeded to write him back by explaining the services and policy advocacy that we provide to our members through our diverse cooperative. Later that day, I reflected on this a bit.

It’s a question that strikes at the heart of our mission, and at FarmFirst we take our mission seriously. We exist “to provide our members with a unified voice in dairy policy, strong marketing opportunities, and valued member services through trusted first-hand industry involvement and leadership. These aren’t just words on paper; they drive our work as a cooperative. We are here for our members and to offer

services that protect your interests and help you achieve your goals.

One of the key pillars of our mission is providing all members with a unified voice in dairy policy. It is our job to speak up for dairy farmers. We are member-owned, member-driven, and member-focused. This is why we rely on member involvement to ensure that we are addressing the concerns and issues that are a priority to you. On December 12 at 12 noon, we will be having a virtual policy development meeting, and I encourage you to attend and voice your opinion on what you would like to see our policy advocacy focus on in the coming year.

All dairy farmers want and deserve a competitive price for their milk. Our Family Dairies division provides competitive milk marketing for our patrons. We strive to provide our patrons with a competitive milk price and have been fortunate to have not dumped any milk during the last several months. Having the daily responsibility of picking up milk, selling and paying our patrons for their hard work gives us a greater understanding of what all our members are experiencing.

Our commitment to our members goes beyond policy and milk marketing. We ensure your milk production and components are verified and accurate through tank calibrations and regular milk test verification. You deserve to be paid correctly for the quality milk you are producing.

We also strive to support our members in telling your story and connecting with consumers. It is vital that we aid in the promotion of dairy through events and farm tours, and we are dedicated to helping our members in doing so. If you have an event or farm tour that you need support with, make sure to contact your member services representative. You’ll also see FarmFirst at other industry events to stay connected with our valuable partners within the industry.

Our vision also includes the future. This is why FarmFirst makes it a point to invest in youth through scholarships and the sponsorship of youth events. We have recently been working diligently to ramp up our Young Cooperator program in an effort to connect our younger members and get them involved in and prepared for future leadership roles within our cooperative. The next generation is vital to FarmFirst and our industry.

At our Member Appreciation Dinners which are coming up in November and December, we look forward to seeing you and talking about the work we have done this past year to achieve our mission and vision. We will also take some time to talk about the year ahead and get your input on how we can best help you achieve your goals. Afterall, FarmFirst is your cooperative, and when we are asked “How do you help farmers?”, we want to continue to be able to provide an answer that makes you proud to be a member. 🐄

*Article by Sarah Sarbacher,  
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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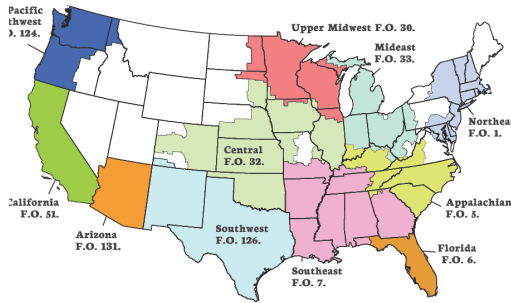
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**FMMO Hearing Update**

11 Federal Milk Marketing Order Areas



USDA's Federal Milk Marketing Order hearing will continue following a recess through the Thanksgiving holiday. Peter Vitaliano, National Milk Producers Federation Vice President of Economic Policy & Market Research, says the hearing is making progress.

"We're in the last topic of five topics. It is moving more slowly than expected. Because it did not finish in time for the original schedule, the facility was not

available until four and a half days, the week after Thanksgiving, but it was not available beyond that. So, it's another five days right afterwards in another facility not very far away. So, there's nine and a half days with a chance that it will finish. but a chance that it may not. And that's all contingent upon government funding being available."


Vitaliano says the hearing was organized around the five proposals from NMPF.

"But with other related proposals from other groups, and most notably by opposition in those same categories, there has been very strong opposition primarily from the processing groups. That's the dynamic of the hearing. I know the Secretary of Agriculture asked for all the groups to get together, but the producer groups are together. That's the key thing. And producers are the ones who vote for federal orders. But the processor groups, that's a very important constituency, because they're the ones that the orders are imposed upon. And so, they have a say and USDA is listening and they're going to come up with something that'll probably give something to all sides."

Vitaliano says getting to a vote is a lengthy process.

"It's a quasi-judicial process, where it is presided over by an administrative law judge and its formal courtroom procedure of witness testimony, cross examination, objections, etc. The main difference is that an administrative law judge does not write the decision the way a criminal judge would, USDA and its marketing specialists are the ones who write the decisions. And we're expecting, if the hearing does indeed conclude the end of that first week in December, the process then goes through a number of steps and a vote that would actually implement the orders would be taken toward the end of 2024."

While the process takes time, Vitaliano says the modernization is needed.

"The orders were really designed to operate most effectively when most of the milk that was covered in order went to fluid use. The orders are still relevant today, but technically with less and less of the milk in a given order going to fluid, structurally it makes the orders more difficult to operate. So, when it's done, there's going to be probably some decisions and some issues that have to be examined. In the not too distant future, there are going to be some orders with low class one utilizations. But this procedure is bringing the provisions of the orders up to date after being in many cases not updated in almost 23 years now and it'll be 25 by the time the final decision is voted on." 

### Checkoff's Pizza Partnerships Engage in Cheese-Growth Efforts

A new dairy checkoff growth program with pizza partners is expected to drive an additional 12-plus million pounds of cheese use.

The bulk of the cheese will be used internationally through an effort with a major quick-serve restaurant pizza chain and a U.S. cheese company. The pizza chain has opened its sourcing to U.S.-produced cheese suppliers as it seeks to return its business success to pre-COVID levels. The company also is leaning on the checkoff for strategic support to increase pizza consumption frequency in this market via advertising and marketing communications.

On the domestic front, Domino's® has added Pepperoni Stuffed Cheesy Bread to its lineup of Stuffed Cheesy Bread. The oven-baked breadsticks are stuffed with cheese and pepperoni, covered in a blend of cheese made with 100% real mozzarella and cheddar, and seasoned with a touch of Parmesan and garlic.

"The checkoff's relationships have always been an underpinning of our plan and our partners understand the challenges our farmers face with rising input costs that affect their bottom line," said Barbara O'Brien, president and CEO of Dairy Management Inc. (DMI), which manages the national dairy checkoff program. "They are stepping up with innovative ways we can collaborate to drive more sales of U.S.-produced cheese on their products."

DMI supported Domino's with consumer research, which helped make the Pepperoni Stuffed Cheesy Bread launch a success. This option received high consumer test scores and joins the chain's Stuffed Cheesy Bread lineup, which debuted in 2011.

The checkoff also plans to work with Domino's on an enhanced loyalty program that continues to have growing appeal with customers and will drive pizza and cheese sales.

"Domino's values its partnership with DMI, as there would be no pizza without the hard work of dairy farmers around the U.S.," said Kate Trumbull, Domino's senior vice president - chief brand officer. "Thanks to them, we're able to offer a variety of delicious, cheesy, craveable products to customers around the country."

In addition to DMI, the efforts with Domino's were supported by state and regional checkoff organizations American Dairy Association Mideast, Midwest Dairy and the United Dairy Industry of Michigan. While these teams contributed directly to this effort, O'Brien said funding from the entire dairy checkoff network helps make these and other partnerships possible.

"This pizza growth program is just one example of the power of our national and local organizations working together," O'Brien said.

#### International focus

The other pizza company the checkoff is working with on the international front has exclusively sourced its cheese from outside the U.S. The company is seeking to kick-start growth efforts and found a willing partner in the checkoff thanks to its longtime proven success in helping to grow U.S. pizza and cheese sales.


A marketing campaign begins in October and runs through March of 2024. Pizza remains a largely untapped opportunity in many global markets where it is often consumed about once a year. With consumer tastes rapidly shifting, it is a timely opportunity to support pizza growth internationally.

O'Brien emphasized the effectiveness of the checkoff's strategy of working with leading quick-serve restaurant chains, who invest hundreds of millions on marketing efforts and advertising to promote their dairy-centric menu items. While these pizza-focused efforts are additions to the annual strategic plan, O'Brien said other restaurant partners continue to deliver sales-building successes, too.

Taco Bell announced its new permanent menu item, the Grilled Cheese Burrito, whose creation was led by the checkoff's onsite food science team, after a successful run as a limited-time option. The burrito uses 11 times the amount of cheese that the chain's regular taco does, and its success led to new flavors of the Grilled Cheese Burrito and expansion of this platform across the menu, including the Grilled Cheese Dipping Taco.

McDonald's continues to enhance its McFlurry lineup with new flavors, including the Peanut Butter Crunch McFlurry, which is currently in market. The chain also had a successful launch this summer of the Grimace Shake, which generated large amounts of media coverage and social media interaction. These efforts are made possible with checkoff food science and marketing support.

"The checkoff has enjoyed longtime partnerships with the leading burger, pizza and Mexican quick-serve restaurants that have an astonishing reach of loyal customers, not just in the U.S. but abroad," O'Brien said. "They understand quite well the value that dairy delivers to their menus, and they see how our checkoff resources and expertise can help them reach their business objectives to remain on top of their game."

For more information about the dairy checkoff, visit [www.usdairy.com/for-farmers](http://www.usdairy.com/for-farmers) 



## FarmFirst Advocates for Overweight Transport Permits for Fluid Milk



FarmFirst Dairy Cooperative General Manager, Jeff Lyon, provided written testimony to the Wisconsin Senate Committee on Transportation and Local Government in support of Senate Bill 431, a bill that would grant the state Department of Transportation the authority to issue annual or consecutive month permits, allowing the transport of fluid milk and other milk byproducts in vehicle combinations exceeding highway weight limits, up to a maximum of 98,000 pounds.

Lyon highlighted the challenges faced by dairy farmers and milk haulers, including tight profit margins due to lower milk prices and increased production costs. “Over the last few years dairy farmer profit margins have been extremely

tight with lower milk prices and higher input costs which include but are not limited to labor, feed, crop input, equipment, energy, and milk hauling costs,” noted Lyon. “Generally, dairy cooperatives and proprietary milk plants have independent milk haulers to pick up milk at individual farms and deliver it to designated milk processors. Similar to dairy farmers, milk haulers are experiencing higher costs for labor, new equipment and equipment repair and energy.” “To minimize hauling costs many farms, have their milk picked up every other day. Daily or every other day pickup depends on the amount milk produced daily on a farm and the size of the bulk tank,” said Lyon. “Picking up milk at individual farms and making sure the hauler has full load of milk is an inexact science due to the amount milk on each farm, the distance between farms and the distance to the plant.”

The Wisconsin dairy industry plays a pivotal role as a \$45 billion-dollar economic driver for the state. Senate Bill 431, if enacted, would not only foster industry growth over time, but would allow for flexibility and more options for dairy cooperatives, milk processors and haulers to pick up farmers’ milk to minimize increases in milk hauling costs.

Lyon’s testimony reflects FarmFirst Dairy Cooperative’s ongoing commitment to advocate for the best interests of its members and the dairy industry as a whole. 🇺🇸

## Scholarship Application Available Online

Since 2013, FarmFirst Dairy Cooperative has provided \$226,000 to more than 240 students. FarmFirst Dairy Cooperative strongly believes in the value of equipping future dairy farmers and agriculturists with the lifelong skills and valuable tools to lead a successful career within the agriculture industry.

The application for our 2024 scholarships is now available online. Students who are the child of a FarmFirst member that are pursuing degrees from a college, university, technical or community college are eligible. Application deadline is March 31, 2024.

To apply, visit <https://www.farmfirstdairycooperative.com/>



# World Dairy Expo - Dynasty In Dairy



We had a great week at World Dairy Expo in October, visiting with members and colleagues in the industry, speaking with the media about our policy advocacy and member services and attending educational sessions. FarmFirst Young Cooperator Board Member, Nathan Wiese, was part of NMPF YC panel discussion at World Dairy Expo hosted by Peggy Coffeen of Uplevel Dairy, where panelists discussed “The Eight Questions that Will Move Your Dairy Farm Forward”



# AUGUST 2023

	UPPER MIDWEST	CENTRAL	MIDEAST
Order Name and Number	Order 30	Order 32	Order 33
Producer Milk (lbs.)	2,714,670,964	1,336,791,591	1,530,032,428
Producer Price Differential @ base zone	\$ 0.21	\$ 0.59	\$ 0.99
Statistical Uniform Price/cwt @ 3.5% BF*	\$ 18.60	\$ 18.98	\$ 19.38
Class I Price/cwt	\$ 20.70	\$ 20.90	\$ 20.90
Class II Price/cwt	\$ 19.98	\$ 19.98	\$ 19.98
Class III Price/cwt	\$ 18.39	\$ 18.39	\$ 18.39
Class IV Price/cwt	\$ 19.09	\$ 19.09	\$ 19.09
<b>Component Prices &amp; Test Avg. % aves</b>			
Butterfat/lb.	\$ 3.1264 4.00%	4.01%	4.01%
Protein/lb.	\$ 2.3027 3.12%	3.23%	3.18%
Other Solids/lb.	\$ 0.0992 5.80%	5.79%	5.78%
SCC Adjust Rate/1000	\$ 0.00097		
<b>Producer Milk Classified %</b>			
Class I	5.90%	27.03%	35.90%
Class II	0.90%	7.06%	11.16%
Class III	92.70%	49.67%	45.78%
Class IV	0.50%	16.24%	7.16%
	100.00%	100.00%	100.00%



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**FARM FIRST**  
SERVICES  
DISASTER BENEFITS

## MILK LOSS PROGRAM

Providing compensation to members experiencing milk income loss due to a weather-related disaster

- COVERED LOSSES**
- Impassable Roads (Snow, Ice, Flood)
  - Fire, Windstorm or Snow
  - Electrocution or Lightning
  - Loss of Electric Power