

Recommendation #7**Sub-committee:** Markets**Submitted by:** Dave Daniels

Problem Statement: The Agriculture Improvement Act of 2018, also known as the “Farm Bill” was passed by Congress and signed into federal law at the end of 2018. It contained language and authorization to establish not less than three dairy product and business innovation initiatives. The effort talks about drawing on existing industry resources such as academic and industry expertise, a dense dairy population, etc. These are all conditions of the resources available for the Wisconsin dairy industry.

Recommended Solution:

Coordinating across the University of Wisconsin, DATCP, industry associations and others, a proposal should be prepared and submitted to become one of the regionally-located dairy product and business innovation centers.

Recommendation #12**Sub-committee:** Markets**Submitted by:** Beth Wells

Problem Statement: Extra milk supply, trade disputes, and policy changes have led to abrupt dismissal of dairy farm markets for milk. Short notices of no longer needing a producer's milk can have catastrophic consequences for an individual farmer who struggles to find a new home for his/her perishable product.

Recommended Solution:

We strongly encourage all milk producers and buyers to have a current contract/member agreement with the organization marketing the farm's milk. It is further encouraged that the producer and buyer understand and communicate: the notice period in which either party can exit, the policies/requirements that the either party must meet to be in compliance, and the actions that can be enforced if either party is in breach of the contract/agreement.

Recommendation #13**Sub-committee:** Markets**Submitted by:** Mark Stephenson and Ted Galloway

Problem Statement: Federal Order milk pricing has evolved to its current incarnation over many years. In the 1940s and 1950s, some orders had as many as eight classes of milk with minimum prices in each class depending on products made from the milk. That complexity was reduced to the current four classes—milk used for fluid purposes, soft products, cheese, and butter and milk powders. Pooling of milk values across these classes renders plants relatively indifferent to giving up milk to the highest and best use of milk and diminishes the overall value of the pool.

Recommended Solution:

Reduce the number of milk classes from the current four to only two classes. Products that can be stored for at least half a year would constitute the manufacturing Class II and perishable to semi-perishable products would constitute the remaining as Class I. This would encourage milk to move to its highest value in manufacturing products to the point that the marginal value of milk used in hard cheeses was the same as milk used in butter and powders. And, semi-perishable products, like yogurt, creams and beverage products would find their equilibrium values.

Recommendation #30**Sub-committee:** Markets**Submitted by:** Dr. John Lucey

Problem Statement: Due to its Midwest location, Wisconsin faces logistical obstacles with exporting products via either East or West coast port locations. These are significant challenges with smaller volume products like specialty cheese where help would be needed for consolidation of loads into shipping container lots.

Recommended Solution:

There is opportunity to support small to medium size processors in load consolidation to support the logistics planning effort underway by the DOT.

We recommend exploring the need and funding for cold-storage facilities to aggregate loads to full containers, ready for domestic and international transport. We also recommend continued collaboration with DOT and other public and private partners to develop a logistics plan to provide more cost-competitive freight/shipping.

Recommendation #31**Sub-committee:** Markets**Submitted by:** Dr. John Lucey

Problem Statement: A growing number of Wisconsin dairy companies are becoming interested in exports. It is challenging for all our medium to small plants to have the resources and expertise to develop relationships with overseas buyers, understand all export requirements and have sufficient product on their own for cost-effective shipping and distribution. With over 200 Wisconsin dairy plants it is also confusing to overseas consumers/buyers to understand who all these Wisconsin cheese plants are and we lack a single brand identity.

Recommended Solution:

Initiate a feasibility study on the development for a Wisconsin Cheese Brand to be sold internationally in same vein as the Irish Dairy Board did with Kerrygold. In addition to a single brand this Wisconsin Export Board could be responsible for logistics, buyer relations, collating loads, etc. It is envisioned that this board would partner with organization like Dairy Farmers of Wisconsin, DATCP, WEDC, USDEC, CDR and have member cheese companies.

Recommendation #32**Sub-committee:** Markets**Submitted by:** Dr. John Lucey

Problem Statement: Wisconsin cheese companies need technical assistance in developing successful products for exports. This includes tailoring performance, flavor, type of inclusions, and shelf-life extension in order to satisfy these new consumers. CDR has successfully assisted Wisconsin cheese companies to develop most of the specialty cheese products in the past 30 years but currently lack sufficient resources to support a major initiative to developing export cheeses.

Recommended Solution:

Create a Cheese Export program at CDR, modeled after their successful Specialty Cheese program, and provide funding for the additional technical staff needed to support such a program. These staff would support innovation around developing new cheese varieties, optimizing performance/shelf-life, developing new training programs, participation on overseas trade missions, etc.

Recommendation #33**Sub-committee:** Markets**Submitted by:** Dr. John Lucey

Problem Statement: Wisconsin cheese companies lack information on consumer preferences in key overseas export markets. This makes it challenging for these companies to know if they can successfully export current product lines, if they need to adjust them, or if they should develop new products for these markets. Conducting detailed consumer insights and preferences studies is expensive and complex if they had to be performed in multiple overseas market places by individual manufacturers.

Recommended Solution:

CDR should work with USDEC/DATCP to identify key export markets and primary target cheese types. The CDR should then conduct detailed consumer preferences and insights studies here in Wisconsin by recruiting students or individuals who have recently arrived from these key export markets. There are thousands of international students and staff living/studying in the Dane county region covering a wide range of ethnic groups. The goal is to build up a database of detailed profiles of what the consumers in these regions want, expect and prefer in their cheeses. That information can be provided to any Wisconsin cheese company that wants to export to that region. These consumer panels could also be used by Wisconsin cheese companies to conduct specific focus groups on their products.