

--DRAFT PENDING SUB-COMMITTEE APPROVAL--

**WISCONSIN DAIRY TASK FORCE 2.0
SUB-COMMITTEE ON MARKETS
MINUTES**

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March 7, 2019

The Markets sub-committee of the Wisconsin Dairy Task Force 2.0 met on Thursday, March 7, 2019 beginning at 9:00 a.m. via teleconference, based at DATCP, 2811 Agriculture Drive, Madison, WI 53708 in Room 456.

Call to Order

Chair Stephenson called the meeting to order at 9:15 a.m.

Members Present

Members present included: Charles Untz, Brody Stapel, Beth Wells, Patty Edelburg, Tom Crosby, and Dave Daniels. Dr. John Lucey and Krista Knigge, were also present. Dairy Task Force 2.0 Chair Mark Stephenson and DATCP staff Ashley Andre also attended.

Jeff Schwager, Chad Vincent, and Rob Byrne were unable to attend.

Minutes

Approve minutes of last meeting

Chair Stephenson asked for a motion to approve the minutes. Charles Untz made a motion. Beth Wells seconded. The minutes were approved unanimously.

Consider recommendations

Chair Stephenson introduced recommendation #7, supporting Wisconsin as a home for the regionally-located dairy business innovation centers. Dave Daniels read the recommendation and noted Wisconsin's strengths.

Mr. Daniels moved. Patty Edelburg seconded. The group approved moving the recommendation forward.

Ms. Wells read recommendation #12, the need for a current contract/member agreement. Mr. Untz asked a question about when a group of farmers suddenly lost their milk market several years ago, weren't some able to keep shipping because of a forward contract in place.

Ms. Wells shared that she has heard that some producers are not even aware of what their current contract is; this recommendation is an effort to emphasize the importance of having and

understanding contracts in today's current environment. Chair Stephenson noted the importance of understanding a notice of termination.

Mr. Untz made a motion to move the recommendation forward to the full Dairy Task Force 2.0. Mr. Daniels seconded.

Mr. Daniels asked if a certain termination notice length should be noted. Ms. Edelburg noted that some groups, such as Farmers Union, have suggested 60 day notice, but because of other issues, contracts could be done a lot sooner. She would not suggest a specific time limit since that needs to be worked out between the individual producer and milk buyer. The most important part is that a contract is in place.

Chair Stephenson agreed that this is more about awareness rather than specifics. Mr. Daniels noted that this was a good discussion and likely raised questions that others will ask. The group approved moving the recommendation forward.

Chair Stephenson introduced recommendation #13, reducing the milk classes from the current four to only two classes. Ms. Andre read the recommendation. Chair Daniels asked if this would maintain component pricing. Chair Stephenson confirmed it would. The purpose of the recommendation was to utilize more liquid milk in manufacturing rather than buying powder and bringing it in from out of the state to standardize cheese vats.

Mr. Untz asked if this would be for the entire country. Chair Stephenson clarified it would be national. Mr. Daniels made a motion to move the recommendation forward. Mr. Stapel seconded. The group approved.

Chair Stephenson introduced recommendation #30. Dr. John Lucey gave an overview of logistical challenges for small and medium size processors and the recommended solution. It includes comingling loads and logistics get to distant markets.

Mr. Daniels asked about the role of DOT. Krista Knigge gave background about a group that the DOT assembled to look at logistics in terms of freight. The collaboration with DOT is important.

Mr. Stapel asked about the need for cold storage since in his home area of Sheboygan, there is a large amount of cold storage in the state and at ports across the country. Ms. Wells noted the importance for collaboration, but possibly not just with DOT.

The group revised the last sentence of the recommended solution to read: 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.

Mr. Stapel moved to move the recommendation forward with the noted change. Ms. Edelburg seconded. The group approved the motion.

Dr. Lucey gave an overview of recommendation #31. Many of our small and medium-sized dairy companies in Wisconsin are interested in exports, but there are many challenges to address.

These hurdles need resources that they do not have. This recommendation is modeled after the Irish Dairy Board where companies join to utilize shared resources and brand recognition. Chair Stephenson asked for any questions or suggested changes.

Mr. Stapel asked if there is a concern about sharing proprietary trade secrets with others. Mr. Lucey does not think that would be an issue. Chair Stephenson asked for any other questions.

Mr. Daniels made a motion to move the recommendation forward. Mr. Stapel seconded. The group approved the motion.

Dr. John Lucey gave an overview of recommendation #32. This solution is to fund additional technical staff at the Center for Dairy Research to support product development for companies who would like to enter the export market.

Mr. Daniels asked for the distinction between #32 and #33. Dr. Lucey explained that while both focus on exports, the first focuses on technical assistance and the second on consumer insights.

Ms. Edelburg made a motion to move recommendation #32 forward to the full Dairy Task Force 2.0. Mr. Daniels seconded it. The group approved.

Dr. John Lucey gave an overview of recommendation #33. It would help identify key export markets and study consumer insights. Chair Stephenson if this would be limited to Wisconsin dairy companies. Dr. Lucey clarified that it would depend on the source of funds. U.S. Dairy Export Council funds would mean the program was available for manufacturers across the country.

Tom Crosby moved to approve. Mr. Stapel seconded. The group approved moving the recommendation forward.

Identify next steps

The group approved seven recommendations to move forward to the full Dairy Task Force 2.0 meeting on March 15.

Adjournment

The sub-committee adjourned at 10:02 a.m.

Minutes drafted by Ashley Andre.