

--DRAFT PENDING SUB-COMMITTEE APPROVAL--

**WISCONSIN DAIRY TASK FORCE 2.0
SUB-COMMITTEE ON PRICE VOLATILITY AND PROFITABILITY
MINUTES**

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February 26, 2019

The Price Volatility and Profitability sub-committee of the Wisconsin Dairy Task Force 2.0 met on Tuesday, February 26, 2019 beginning at 10:00 a.m. via teleconference, based at DATCP, 2811 Agriculture Drive, Madison, WI 53708 in Room 411.

Call to Order

Chair Mike DeLong called the meeting to order at 10:03 a.m.

Members Present

Members present included: Mike DeLong, Ryan Klussendorf, Darin Von Ruden, Tom Crosby, Don Hamm, Dan Pearson and Rene Johnson. Kevin Bernhardt, the sub-committee's resource person, also participated. DATCP staff Ashley Andre also attended.

Minutes

Approve minutes of last meeting

Chair DeLong asked for a motion to approve the minutes. Darin Von Ruden made a motion. Tom Crosby seconded. The minutes were approved unanimously.

Consider draft recommendations

Chair DeLong asked Ashley Andre to review the public comments from the previous meeting. At the last meeting, we received public comments from the National Farmers Organization and the Dairy Pricing Association. No recommendations were drafted yet based on these comments, but the group could still decide to do so.

Chair DeLong asked the group to look at the current draft recommendations. Chair DeLong introduced recommendation #35, increasing milk quality standards. He asked if Don Hamm had anything to add. He emphasized how this is something that has been discussed before.

Dan Pearson asked if milk sold outside of the country had to meet this standard. Mr. Hamm confirmed that we do have to meet the standards of each export market. He shared his experience moving milk from NFO to plants and having to meet their standards. Mr. Von Ruden made a motion to move this recommendation forward. Mr. Pearson seconded. The group agreed unanimously.

Ms. Andre shared that Chair Mark Stephenson will review all recommendations and make edits to ensure a similar format and voice. At our next teleconference next week, we will vote on the final language before it goes to the full Task Force 2.0 meeting on March 15.

Chair DeLong opened discussion about recommendation #37, understanding marketing tools. Kevin Bernhardt shared his support for the recommendation and emphasized the importance of collaboration. He asked if there should be more muscle or an incentive to ensure it happens. Rene Johnson asked if he meant a champion for the effort. Dr. Bernhardt did. He gave an example of if no one organized today's teleconference, it wouldn't have happened. Ms. Johnson suggested possibly the Wisconsin Bankers Association could be the lead.

Ms. Johnson gave an example of meetings her bank is already holding on these tools. Chair DeLong shared that others have done similar efforts, such as UW-Extension. It would be important to have someone to drive the ship.

Ms. Johnson will add to the recommendation challenging the Wisconsin Bankers Association to take the lead and work to hold informative meetings. Dr. Bernhardt asked that UW-Extension be added to the name of partners.

Mr. Hamm moved to advance the draft recommendation forward. Mr. Crosby seconded. The group agreed unanimously. Ms. Johnson will send the edits to Ms. Andre by the end of the week.

Chair DeLong introduced recommendation #40 to increase demand for fluid milk consumption in school. He shared that he sought input from FFA teachers. He also shared there may be limits to what drinks are allowed to be available in school due to nutrition standards.

Dr. Bernhardt asked if we know how many schools already have vending machines or access to milk in another way. We do not. Ms. Johnson shared her experience that some schools have machines, but they are not fully utilized. Chair DeLong stressed the importance of having bottles rather than cartons.

Mr. Klussendorf added that he has heard similar challenges about getting milk in schools because of packaging and nutrition standards. Mr. Crosby shared an experience he had at a basketball game with a 'Got Milk?' vending machine filled with every type of beverage besides milk. Did dairy farmer check-off dollars pay for that machine, and it doesn't even have milk?

Dr. Bernhardt asked about the intent of the funds mentioned in the recommendations. Chair DeLong gave examples of who may use them, schools or processors.

Ms. Johnson mentioned that eight ounces is small. Mr. Crosby noted that some gas stations sell 12-ounce containers of milk. Dr. Bernhardt added that perhaps we don't mention a specific size; that may be something market research tells us. Ms. Johnson said it may be a challenge to Dairy Farmers of Wisconsin to do research on some of these topics and report back with answers by a certain date. Chair DeLong emphasized the need to get milk to a younger generation; they cannot be ignored. Could Dairy Farmers of Wisconsin provide research to USDA on nutritional qualities

of milk as well? Mr. Klussendorf and Mr. Von Ruden noted that Dairy Farmers of Wisconsin does research and promotion, but they do not lobby.

Chair DeLong will make edits to the recommendation, ensuring to add points about bottled milk and the need to engage Dairy Farmers of Wisconsin. Ms. Johnson noted that you may want to include that Dairy Farmers of Wisconsin provide research to the respect of the serving size and nutritional guidelines. Work could also be done with county dairy promotion groups to get machines in schools and work places.

Mr. Pearson asked about the Wisconsin milk aspect. Chair DeLong discussed how he wants to get milk into schools, but doesn't want a lot of milk coming from out of state dumped in Wisconsin.

Dr. Bernhardt asked about the 25% of sales dollars going back to the farmer. Would that result in a higher price for the consumer or less of a profit for the processor? Chair DeLong noted that the intent is to get more money back to the producer. He thinks it could be done fairly easily. He shared how the percentage of the milk dollar going back to the farmer continues to shrink. Anything could help the farmer in today's economy. Mr. Pearson noted he liked the concept.

Chair DeLong will make edits to the recommendation. Ms. Johnson made a motion to move the draft recommendation forward. Mr. Von Ruden seconded. The group agreed unanimously.

Chair DeLong introduced recommendation #46, need to understand milk pricing and provide training. Mr. Crosby noted how farmers have varied level of understanding. Dr. Bernhardt noted that at different points throughout the years, this type of training was provided, and it had various levels of attendance. He does think it is a good time to do it again.

Mr. Von Ruden moved to advance the recommendation to the next step. Ms. Johnson seconded. The group agreed unanimously.

Chair DeLong asked for any other discussion or recommendations. Mr. Von Ruden said he would like to see a recommendation supporting the National Farmers Organization pricing proposal go before the entire Dairy Task Force 2.0. Ms. Johnson suggested waiting until after the webinar on Thursday so the group has more background information on milk pricing. Mr. Pearson asked if the webinar will be taped. It will be.

Mr. Crosby noted that he does feel strongly that we as a Task Force need to do something bold, and this could be it; a different pricing structure. Mr. Crosby will draft a recommendation of support, and the group can consider at the next teleconference. Chair DeLong added that this extra time will give members a chance to view Chair Stephenson's presentation and consider the proposal. Mr. Pearson asked if the webinar is open to everyone. Ms. Andre confirmed it is.

Mr. Klussendorf asked if we could bring forward any additional recommendations. Ms. Andre confirmed they would need to be sent to Ms. Andre by the end of the day Friday.

Set a conference call

The sub-committee chose to have their conference call on Wednesday, March 6 at 1:00 p.m.

Identify next steps

Ms. Andre addressed the follow-up items identified that need to be sent in by the end of the day Friday:

- Ms. Johnson will send revisions to recommendation #37, marketing tools.
- Chair DeLong will send revisions to recommendation #40, milk consumption in schools.
- Mr. Crosby will draft a recommendation on supporting two-tier pricing for the group to consider.

Adjournment

Mr. Pearson made a motion to adjourn. Mr. Von Ruden seconded. The sub-committee adjourned at 11:08 a.m.

Minutes drafted by Ashley Andre.

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