

**--DRAFT PENDING SUB-COMMITTEE APPROVAL--**

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

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**October 30th, 2018**

The Markets Sub-Committee of the Wisconsin Dairy Task Force 2.0 met on Tuesday, October 30th, 2018 beginning at 10:00 a.m. at the Tomah Post of the Wisconsin State Patrol at 23928 Lester McMullen Drive, Tomah, WI 54660 in the Downstairs Conference Room.

**Call to Order**

Sub-Committee Chair Rob Byrne called the meeting to order at 10:02 a.m.

**Members Present**

Jeff Schwager, Elizabeth Wells, Patty Edelburg, Dave Daniels, Tom Crosby, and Rob Byrne.

Members not present: Chad Vincent and Brody Stapel.

Ex officio member Representatives Don Vruwink was present as was Mark Stephenson, Neil Kline, Krista Knigge, and Jen Walsh.

**Minutes**

Members of the group introduced themselves.

Krista Knigge, Administrator for the Division of Agricultural Development at the Wisconsin Department of Agriculture, Trade and Consumer Protection, served as the resource person for the sub-committee.

**--DRAFT PENDING SUB-COMMITTEE APPROVAL--**

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Ms. Knigge presented to the group. After reviewing the Division of Agricultural Development at DATCP, Ms. Knigge highlighted challenges and opportunities for the dairy industry in Wisconsin. These items are outlined below:

- Challenges
  - Domestic
    - Overflow of supply
    - Keeping local business local
    - Low prices
    - Market education—micro/ultra-filtered milk, A2, whole fat
  - International
    - Tariffs
    - Non-tariff barriers
    - Logistical barriers
    - Lack of knowledge/interest
- Opportunities
  - Building new markets
    - Wisconsin Initiative for Dairy Exports
  - Expand partnership/collaboration
    - U.S. Dairy Export Council
      - Trade missions
      - Chef training programs
  - Grants
    - Emerging Markets Program
    - Agricultural Trade Promotion Program
      - Expand China e-commerce markets
  - Education
    - Export seminars

**--DRAFT PENDING SUB-COMMITTEE APPROVAL--**

After Ms. Knigge completed her presentation and for the rest of the morning session, the group worked to collapse the issues identified at the August meeting of the full Task Force. The list with some commentary that was generated is below.

- Classification and related pricing issues
- Component Issues
  - Ted Galloway suggested that we abrogate our markets to others because we don't make powder, which helps processors avoid higher costs on inputs. He also noted market tightness on cream in the U.S. southeast, which Beth Wells connected to the larger tight market surrounding cream.
- Exports
  - Freight access to ports for exports is difficult
  - There are opportunities, need to identify growing markets
  - Regional cooperation
- Transportation
  - If transportation is the issue it is, why are we doing so much extra shipping?
- Oversupply
- Missed Marketing Opportunities
  - "Red barn" message
  - Premium and specialty markets

**Lunch**

The group broke for lunch at 12:10 p.m. and reconvened at 12:46 p.m.

**--DRAFT PENDING SUB-COMMITTEE APPROVAL--**

Following Lunch, these issues were further consolidated and potential solutions were identified. The list is below:

- Market volatility pricing
  - Dairy component utilization optimization
  - *Solutions*
    - Revision of federal orders and classes.
    - Change class pricing
- Exports
  - Market access
  - Product development
  - *Solutions*
    - Wisconsin research-asset utilization and proper funding
    - Market development funding
    - Formal place or structure to collaborate between states
- Transportation
  - Oversupply/balancing
  - Inefficiency/orphan routes
  - Better collaboration
  - *Solutions*
    - System or agreements to create more efficient milk pick-up.
    - Increased road funding
    - Producer awareness of changing dynamics
- Market Access
  - Market development/research—CDR & Babcock Hall
  - Promote Wisconsin products
    - Celebrate farm and tradition
    - Develop new markets
  - Appropriate funding for research.
    - Product development
    - Market development
    - Asking a market what they want and then working to develop products to meet those needs.
  - Farm life lines
  - Aggressive, positive message for Wisconsin dairy

The group agreed to meet on January 4<sup>th</sup>, 2019.

**Adjournment**

The Sub-Committee adjourned at 2:07 p.m.

Minutes drafted by Neil Kline.

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