Product and Process Innovation and Invention

Membership

Shelly Mayer — producer, Exec Dir of PDPW
Jeff Schwager — President, Sartori Cheese
Chad Vincent* — CEO of Dairy Farmers of Wisconsin
Rob Byrne — Schreiber Foods
Andy Buttles — producer, Stone Front Farm (PDPW)
Steve Bechel — VP Operations, Eau Galle Cheese Factory
Ted Collower, Company

Ted Galloway — The Galloway Company

<u>Resource Person(s)</u> Kent Weigel — chair, Dairy Science Dept John Lucy — Director, Center for Dairy Research

Issues Identified

Innovations->new product outlets CDR & product innovation & industry partners Product innovation New product development New product development-> R&D Bold new discoveries leading to ideas Collaboration of ideas for solutions Innovation->product & markets Innovation Tech. (research) Innovation in technology Is milk only milk, research opportunities Develop industrial use for milk and dairy Dairy research at WI universities (lack of funding to support) Technology 4 manure handling and community perception Industrial uses for milk

Regulatory Certainty

Membership Moriah Brey — producer Amy Penterman — producer, Dutch Dairy, DBA Bradley Guse — BMO Harris Bank Ted Galloway — The Galloway Company Jerry Schroeder — Wisconsin Milk Haulers Association Brody Stapel — producer, Double Dutch Dairy, DBA David Ward* — Dir Govt Relations, Coop Network Shelly Mayer — producer, Exec Dir of PDPW Steve Bechel — VP Operations, Eau Galle Cheese Factory Rob Byrne — Schreiber Foods Resource Person(s) Peter Vadas — soil scientist, USDA Dairy Forage Research Center **Issues Identified** Regulatory environment impedes farm and processor growth Regulation stops innovation **Regulatory certainty** State and federal regulations overlap Environmental regulations @ all levels-Co., Town, and State **Regulatory restrictions Challenges regulations** Phosphorous revelation Nutrient control Manure **Environmental issues** Waste water issue and manure management Farmers and regulators working together Regulations->county level moratoriums Technology->manure handling and community perception Funding research soil, water Road weight limitations Transportation funding Does WI want dairy to grow? In many ways it seems not.

Rural Communities Support and Infrastructure

(Sub-committee combined with Economies of Scale vs. Size issue grouping from August 13th meeting.)

Membership

Darin Von Ruden — producer, Pres. Wisc Farmers Union John Schmidt — Bus Development Manager, Landmark Services Coop Dennis Bangart — Asst Vice Pres, Farm Credit Elizabeth Wells* — Dir Farm Milk Management, Organic Valley Janet Clark — producer, Vision-Aire Farms, Farm Bureau Don Hamm — producer, Pres WI NFO Melissa Haag — Lodi Veterinary Hospital Michael DeLong — Vice President, First Bank of Baldwin Jerry Schroeder — Wisconsin Milk Haulers Association

Resource Person(s)

Steven Deller — Ag Economist, community economic development, UW Madison

Issues Identified

Community loosing Ag infrastructure

Fewer farms->fewer customers to support community businesses

Decline of rural communities

Rural infrastructure

Business management (financial lit.)

Supportive infrastructure

Independence to a fault (all need help)

Need more collaboration

Strengthen the partnership between farmers and processors

Not let efficiency take us too far to vertical integration, we need diversity in farming

Vertical integration

Do you or do you not control industry growth-define industry growth

Farm size

Markets

<u>Members</u> Jeff Schwager — President, Sartori Cheese Brody Stapel — producer, Double Dutch Dairy, DBA Chad Vincent — CEO of Dairy Farmers of Wisconsin Elizabeth Wells — Dir Farm Milk Management, Organic Valley Patty Edelburg — producer, Wisc Farmers Union Dave Daniels — producer, Mighty Grand Dairy, Farm Bureau Tom Crosby — producer, Vice Pres, WI NFO Rob Byrne* — Schreiber Foods

<u>Resource Person(s)</u> Krista Knigge — DATCP, export markets

Issues Identified Market development (research) Market access Market opportunities Exports-focus on specialty items and away from fluctuating commodity based Export markets Market volatility What is market share in obvious places that we have missed? Over supply Lack of access to market milk Access to export markets, geographic indicators, tariffs, regulations, trade agreements Loss leader **Processing capabilities** Milk from other states Help expand export opportunities Shipping milk in from other states and labeling the finished product as "WI" based **Distribution** issues How do we get our milk to market/manure to fields Balancing supply with demands of the market

Price Volatility & Profitability

Members

Ryan Klussendorf — producer, Broadland Grass Farm, Farm Bureau Darin Von Ruden — producer, Pres. Wisc Farmers Union Tom Crosby — producer, Vice Pres, WI NFO Don Hamm — producer, Pres WI NFO Dan Pearson — producer, Organic Valley Rene Johnson — Vice President, Union Bank and Trust Co. Michael DeLong* — Vice President, First Bank of Baldwin

Resource Person(s)

Kevin Bernhardt — Ag Economist, Center for Dairy Profitability, UW Plattville

Issues Identified

We produce over 82 mil #'s of milk every day in WI. If in 5 yrs that is 100 mil #'s, where does it go? Price gap between farm and customer FMMO Cost of production=input costs never go lower-they just keep climbing Cost passed to farmer Pricing tools to help w/ prices Price volatility Pricing to stay profitable Farm profitability

Consumer Confidence & Perception

Members

Chad Vincent — CEO of Dairy Farmers of Wisconsin Janet Clark — producer, Vision-Aire Farms, Farm Bureau Moriah Brey — producer Steve Bechel — VP Operations, Eau Galle Cheese Factory David Ward — Dir Govt Relations, Coop Network Amy Penterman — producer, Dutch Dairy, DBA Patty Edelburg — producer, Wisc Farmers Union Dennis Bangart* — Asst Vice Pres, Farm Credit

<u>Resource Person(s)</u> Jen Walsh — Dairy Farmers of Wisconsin

Issues Identified Consumer confidence Build consumer confidence What do people and other people in Ag think of the WI Dairy Ind. outside of WI? Increased fluid consumption Linking production to end user/consumer Animal VNIR [sic] revelations Customer demands for transparency Perception of ag/dairy to consumer **Customer perceptions** Consumer perception of milk as not healthy Outside pressure from consumer led organizations Changing consumer preferences Cows and houses don't mix, how do we get along Consumer perception Loss of domestic consumption

Education Workforce

(Sub-committee combined with Management of Time & Money issue group from August 13th meeting)

Membership

Paul Scharfman — President, Specialty Cheese Company
Amy Penterman — producer, Dutch Dairy, DBA
John Schmidt — Bus Development Manager, Landmark Services Coop
Lori Weyers* — President, Northcentral Technical College
Rene Johnson — Vice President, Union Bank and Trust Co.
Dave Buholzer — Klondike Cheese Company

<u>Resource Person(s)</u> Bob Milligan — Senior Consultant, Dairy Strategies

Issues Identified Sustainable workforce Labor shortage (affordable) Work force building for dairy industry->at each step Labor availability Quality, affordable labor force Talent shortage, technical and labor short Labor-who will work? Access to labor Immigrant labor Education->starting at school level Get farmers to be part of the answer/not waiting for someone else Need more education in financial planning/management Education of next generation/future leaders Lack of exposure to farm model alternatives

Access to Capital

(Sub-committee combined with Financial Barriers issue group from August 13th meeting)

Membership Paul Scharfman — President, Specialty Cheese Company Bradley Guse* — BMO Harris Bank Darin Von Ruden — producer, Pres. Wisc Farmers Union Don Hamm — producer, Pres WI NFO John Accola — Feed Division Manager, Premier Cooperative

<u>Resource Person(s)</u> Kevin Bernhardt — Ag Economist, Center for Dairy Profitability, UW Plattville

Issues Identified Capital availability Access to credit Lack of short-term operating loans High capital investment Capital to implement technology Capital to create sustainable solutions Barriers to modernization (capital) Financing for rural buildings and expansion Access to capital for farms to invest Cost of start-up Access to land (lack of or high \$) Cost of entering business Transferring farm Need young farmer start up programs Young farmer education Barriers to entry-capital High opportunity cost

Next Generation

Membership Melissa Haag — Lodi Veterinary Hospital Dave Daniels* — producer, Mighty Grand Dairy, Farm Bureau Ryan Klussendorf — producer, Broadland Grass Farm, Farm Bureau Dan Pearson — producer, Organic Valley Charles Untz — producer

<u>Resource Person(s)</u> Joy Kirkpatrick — Center for Dairy Profitability, UW Madison

<u>Issues Identified</u> Wealth transfer Need to get young generation opportunity Aging dairy farmers Generational farm transfers Ability for young farmers to start-up in dairy business Generational transition, taxes Transition the farm to next gen. Next generation