

PRODUCER PERSPECTIVES FROM THE REAL WORLD PANEL

Jerry Meissner
Norm-E-Lane Dairy
Chili, Wisconsin

NORM-E-LANE FARM

- Family operated since 1950
- Operate farm with son, brother and nephew
- Crop 4,600 acres of corn and alfalfa
- Milk 2,400 cows, 2,300 replacements



NORM-E-LANE FARM

- Methane Digester
 - Solids used for bedding
 - All nutrients pumped and injected into soil
- Risk Management
 - Have used crop and milk price risk management for over 40 years



DAIRY BUSINESS ASSOCIATION

- Mission: To support the growth and success of all dairy businesses through fostering a positive business and political environment
- Serving 4th year as DBA President
- WI dairy industry growing, \$26.5 billion/yr
- Forging relationships with Wisconsin Cheese Makers
- Foster investment in cheese making operations; about \$1 billion investment in the past 3 years

DAIRY IN WISCONSIN

- ▣ Most active industry in WI
- ▣ \$26.5 billion per year; 146,000 jobs
- ▣ Milk deficit of 10 to 12%
- ▣ Gov. Walker's 30x20 Initiative
 - Grow WI dairy to 30 billion pounds by 2020



DAIRY IN WISCONSIN

- ▣ Enormous global market opportunities
- ▣ WI produces nearly half of all U.S. specialty cheeses
- ▣ 3% annual growth in specialty cheeses between 2007-2011
- ▣ 21% of WI cheese is now specialty cheese
- ▣ Specialty cheese in U.S. food service grew
- ▣ Growth due to DBA building relationships with WCMA, WMMB and CIDR

DAIRY EXPORTS FROM WMMB

- Average annual dairy export increased by 22.5% from 2006 to 2011
- 2006 to 2007 dairy export increase was 134%
- WI dairy exports increased by 8.6% from 2010 to 2011 (\$228,364,000)
- 92% of WI milk processed into cheese
- World population expect to grow to 9.1 billion people by 2050; requiring 70 to 100% increase in food production

DAIRY SECURITY ACT/SENATE FARM BILL

Positives of DSA

- Eliminates antiquated dairy “safety net” programs (MILC, DPPSP, DEIP)
- Provides another risk management tool
- Establishes an information clearinghouse for FMMO
- Extends dairy forward pricing on Class II, III & IV
- Extends Federal Milk Marketing Order review that previously was unfunded

DAIRY SECURITY ACT/SENATE FARM BILL

Negatives of DSA

- ❑ Most cooperatives favor
- ❑ Most individual processors oppose
- ❑ Progressive Dairyman Mag. producer poll
 - 23% favor DSA, 77% oppose DSA
- ❑ Cooperatives continue to block vote on Federal Order Referendums
- ❑ Comment from Congressman Ribble
 - First the Cooperatives come into my office and say everyone supports 'supply management,' then the farmers come in 10 minutes later and tell me they oppose.
- ❑ Government reaction not fast enough to meet industry requirements

DAIRYMEN'S CHALLENGE

- ❑ Regulatory risk, precedence setting
- ❑ Program lacks transparency
- ❑ Red flags for processors
- ❑ Export buyers will require insurance of product delivery
- ❑ Share of market will be lost to aggressive countries

OPPORTUNITIES FOR FAMILY BUSINESS

- ❑ Endless opportunity for 1 to 2 decades
- ❑ Emerging markets and growth of populations
- ❑ Processors will innovate and market products
- ❑ Investment community will envy Agriculture's boom



CONCLUSION

- ❑ Wisconsin producers will supply the product
- ❑ Processors are expanding
- ❑ Free markets, free enterprise
- ❑ Should NOT punish success
- ❑ Allow American Dream to continue to flourish

