



# dairy Forward

*The official newsletter of the Dairy Business Association*

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## Lobbying in the time of COVID-19

*Our mode of advocacy has changed, but not our commitment to you*

By John Holevoet, director of government affairs



Conference calls, Microsoft Teams meetings and Zoom gatherings are the new tools of our trade. It is not that we didn't use technology before. We certainly did a good deal of our work by telephone or email, but at the end of the

day the most effective lobbying usually involved face-to-face meetings and personal connections.

Adjusting to the new era of social distancing and safer-at-home orders has been a dramatic shift for our government affairs team.

This has also really changed the work

lives of those we normally lobby on behalf of farmers. Just like those who work in food production, state employees have been deemed essential. However, as of this writing, the state Capitol was closed to the public and most state agency employees were working exclusively from home.

Still, we've seen a lot of government

*(continued on page 2)*

## Policy Radar:

### Federal response to COVID-19

The president signed four federal response bills to address the COVID-19 health emergency. Key components include support for farmers and the food supply chain and new loan programs within the Small Business Administration. Farms have been able to broadly utilize one of the programs, the Paycheck Protection Program, to cover short-term expenses.

Agriculture Secretary Sonny Perdue announced a \$19 billion plan for farmers that includes direct payments to farmers with a May sign-up and a program to purchase food and distribute to food banks.

### State response to COVID-19

On April 15, Gov. Evers signed legislation that delays property tax payments, without penalty or interest, until Oct. 1. Two days later, he issued an extension of Wisconsin's safer-at-home order until May 26. The governor subsequently rolled out a Badger Bounce Back plan to reopen the state's economy. The Wisconsin Republican Party filed a lawsuit with the state Supreme Court to block the safer-at-home extension. The case is being briefed by the parties.

### Regular state legislative session

The state Senate delayed its final session day, scheduled for March 24. Several bills DBA supports have already passed the Assembly and await action in the Senate. Those bills include truth-in-labeling for milk, dairy products and meat, increased funding for the dairy export initiative, additional funding for small dairy processors, and several water-quality bills. 



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activity throughout this time. Much of it is related to the challenges caused by COVID-19, but some of it is a continuation of work from more normal times. For example, we are working with the Department of Natural Resources to expedite member farms' CAFO permits. I also spent a morning on Zoom watching the technical advisory committee discuss potential changes to NR 151, the runoff management administrative rule.

The state Legislature passed one piece of COVID-19-specific legislation, which Gov. Tony Evers quickly signed. It was primarily geared toward optimizing the availability of federal aid for Wisconsinites. The bill also eliminated the one-week delay employees typical face before they can apply for unemployment. Many cheesemakers helped to push for that change. In addition, the bill delayed interest or penalties associated with the late payment of property taxes until the end of October. This could be a helpful tool as farmers and processors work to prioritize expenses during this difficult time.

The bill did not spend any state money on the crisis. **There are three main reasons, despite lobbying by DBA and other ag groups for state help for farmers:**

1. A handful of ultra-conservative state senators are opposed to spending any money because they anticipate a very difficult budget for the coming

biennium.

2. Fiscal bills open themselves up to the possibility of line-item vetoes by Gov. Evers, and trust between the administration and the Legislature is almost non-existent.
3. Several lawmakers thought monetary needs could be met by the federal funds the state is going to receive.

One component of the CARES Act passed by Congress is billions of dollars in aid for states. Wisconsin is in line to receive \$1.9 billion, but this money had not been disbursed yet and the strings attached to it are not totally known because the Treasury Department has not issued official guidance on how it can be spent. DBA and seven other commodity groups urged Gov. Evers to spend some of this money on direct aid to farmers. We are also working to ensure that the department greenlights this use of funds.

Like our farmer members, we are eager for Wisconsin to return to normal, or at least much closer to normal. This includes providing input to the governor's office, administrative agencies and lawmakers as they work to reopen our economy through evolving and competing plans.

We are here to help you navigate this hard time, even if that help is offered by conference call, Microsoft Teams or Zoom. 

# Unprecedented times, unprecedented support



**By Tom Crave,**  
DBA president

Anxiety is in full supply these days. Milk prices, production cutbacks, and the health of employees and families are just a few of the worries.

While COVID-19 has made these times unprecedented, I want you know that DBA is making unprecedented efforts to get you through this craziness.

Hopefully, conditions have improved since the publication of this column. What will not change is our work to protect your businesses.

Government affairs, which remains at the core of DBA, has been key in our work during the crisis. Thanks to efforts long before COVID-19, lawmakers and agencies in Madison know well who we are and what we stand for because we are constantly there fighting on your behalf. The same goes in Washington through our sister organization, Edge Dairy Farmer Cooperative. Wisconsin's congressional delegation, other key lawmakers and members of the administration regularly hear from and see us.

On the lobbying front, there are the things you see us doing, like laying out demands in letters to lawmakers, bringing members to the Capitol to meet directly with representatives and testifying at hearings. And then there are things behind the scenes, like researching the practical impact of legislation, pulling together partners to use our collective power and meeting one on one with lawmakers to represent you.

At the same time, we are tailoring our other services to assist during this crisis.

We have been here to individually help dozens and dozens of members with information and advice. We are talking constantly with processors and the state agriculture department about protecting the supply chain. We are ensuring the news media around Wisconsin and the country understand the impact of the pandemic on the dairy community. And, we are making sure you have the most important updates and resources through email alerts, a special webpage, webinars, our Dairy Stream podcast and social media channels.

I realize that you understand hard work. What our members do every day on their farms and in the businesses that support them is essential to keeping our economy strong and providing people everywhere with affordable, nutritious food.

We do not have a choice but to fight through this, given what is at stake. And we will not stop fighting with and for you.

There is no doubt in my mind that we will succeed and be stronger on the other side — together. 🤝

## Member resources:

- Webpage: [voiceofmilk.com/page/COVID19](http://voiceofmilk.com/page/COVID19)
- Member survey
- COVID-19 alert emails
- Dairy Stream podcast
- Member-only webinars
- Media and social media support

Contact us directly or email [info@dairyforward.com](mailto:info@dairyforward.com) with questions, concerns or feedback.

## Welcome New Members

I.D.ology  
Pribek Trucking LLC

## Upcoming Events

Due to the COVID-19 pandemic, we are evaluating whether we will be able to hold our annual summer events.

We are rescheduling the DBA Dairy Golf Classic, which had been set for June, to Aug. 13, so please mark your calendars. We are continuing to monitor decisions related to public gatherings and look forward to providing you with more information soon about our upcoming events including the Packer tailgate party and policy picnics.

In the meantime, be sure to tune into our webinars and Dairy Stream podcasts for timely information about the public health crisis.

## Events

### Dairy Stream

May 6 » podcast app/website

### Dairy Stream

May 27 » podcast app/website

### Dairy Stream

June 17 » podcast app/website

### DBA Dairy Golf Classic

August 13 » Nekoosa

### Dairy Strong 2021

Jan. 20-21 » Madison

# Surviving disruption and preparing for the future

*Seven strategies to mitigate the financial impact of COVID-19*

By Jim Moriarty, director, dairy team, Compeer Financial



We are encountering dramatic disruption to our lives and economy as we respond to the COVID-19 pandemic. As an essential part of our food production system, dairy farmers continue to work every day to care for and milk cows. They're producing food for our country in the face of a sharp drop in milk prices and change in demand channels. They are working to adapt to dramatic changes while preparing for recovery.

Here is a look at seven strategies dairy farmers can put in place to mitigate the financial impact of this market disruption and prepare for the future.

**1. Utilize the Payroll Protection Program (PPP) available through the U.S. Small Business Administration.** Labor is often the second highest expense on a dairy farm. PPP provides a forgivable loan to cover eight weeks of payroll plus other expenses. This could provide funds to cover over \$3/cwt of dairy farm costs over the next two to three months. We have seen a high response from dairy farms to apply for this program and are now starting to see funds flow to farms. Documenting use of the funds for payroll expenses will now become a key step in the program. *Initial funding for PPP ran out and more funds were added on April 24. Contact your lender to learn about your options.*

**2. The USDA also recently announced direct payments and product purchases to farmers as an additional relief measure.** Understanding program rules and working with FSA to sign up for payments will be important next steps.

**3. Work with your creditors on payment deferrals.** First, seek deferral of principal payments on term loan payments for the next three months of low prices. This will help preserve cash to cover operating expenses on the farm, particularly as we work through spring planting.

**4. Delay discretionary capital purchases if possible.** Adjust plans for major equipment purchases or facility upgrades to preserve cash and borrowing capacity.



# for recovery

**5. Use a combination approach to meet requirements if you need to reduce production.** Multiple steps will likely provide the best outcome: earlier dry off, pulling culling forward, moving from three to two times milking, and adjusting feed rations for later lactation cows.

**6. Take advantage of low interest rates to lower interest expense now and into the future.** Both short-term and fixed interest rates have dropped significantly. There are opportunities to reset fixed rates and perhaps term out debt at low fixed rates to preserve cash and lower interest expense for the next several years.

**7. The sharp and completely unexpected decline in milk prices does**

**reinforce the need to consider risk management as we move forward.** Rather than focus on opportunities missed, set targets and be ready to use DRP and other hedging tools for later this year and into 2021. We can anticipate that we will see futures market rallies as recovery begins and we need to take the opportunity to protect against potential setbacks.

While it certainly won't be easy, we will be able to work through this if we adapt and take opportunities as they are available. Ongoing communication with your lender, advisers and peers within the industry is essential. We also need to engage with industry organizations to provide our input on policy proposals to make sure

our voices are heard. We need to position dairy to survive the next several months while preparing to respond to demand as markets open back up. 🇺🇸

## Webinar series

DBA and Compeer will be hosting member-only webinars on the topic of mitigating financial impact during COVID-19. Watch your email for more information.

Need to add a team member to our email list?

Send contact information to [info@dairyforward.com](mailto:info@dairyforward.com).

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# Rosy-Lane Holsteins wins U.S. Sustainability Award

Rosy-Lane Holsteins is the winner of a national award for Outstanding Dairy Farm Sustainability. The ninth annual U.S. Dairy Sustainability Awards were announced on April 22 in recognition of Earth Day. The Watertown farm is owned by Lloyd and Daphne Holterman and their partners Tim Strobel and Jordan Matthews and is one of three national winners in its category.

The Innovation Center for U.S. Dairy, established under the leadership of dairy farmers, recognizes dairy farms, businesses and partnerships whose practices improve the well-being of people, animals and the planet. The award winners represent dairy's commitment to sustainability, demonstrating how transparency and ingenuity lead to sustainable and scalable practices that benefit their businesses, communities and the environment.

Rosy-Lane's emphasis on cow health started with incorporating cattle genetic technologies more than 25 years ago, breeding cows that live longer and are less susceptible to disease and illness. Genetics also helps the farm work toward its goal of producing 1.7 pounds of milk for every 1 pound of feed for the milking herd. The average U.S. dairy farm attains about 1.5, according to Cornell University.

Another benefit of Rosy-Lane's genetics program is the farm has not used antibiotics on its milking herd for more than seven years and a veterinarian is rarely called to treat a sick animal.

"It's really no different than a family of humans that live a long, healthy life," said Lloyd Holterman. "Good genetics allow us to have a healthy family of cows that has the ability to ward off illness and disease. The breeding decisions we made have paid off."



From left: Jordan Matthews, Tim Strobel, Lloyd and Daphne Holterman

The dairy's commitment to sustainability is ingrained in the farm's everyday philosophy with its 20 employees.

"We're strong on setting protocols about the environment, our cows and our people, and then making sure everyone is in alignment," Daphne Holterman said. "As a team, we work to get better every day."

The farm's environmental stewardship is evident through several examples. Water is used three times before it is mixed with cow manure and applied to fields to nourish the alfalfa and corn crops that feed the cows. The farm added the infrastructure to store and process corn at the farm, minimizing waste and the need for it to be hauled in from outside the dairy.

"Numerous dairy farmers are deserving of recognition for a commitment to sustainability. Rosy-Lane is a clear standout among them. Daphne, Lloyd, Tim and Jordan and the rest of their team epitomize the dedication of farmers to their animals, their employees, their community and our natural resources. And, with all they have achieved, their passion to continuously improve is as strong as ever," said Tim Trotter, executive director of Edge Dairy Farmer Cooperative, who submitted the nomination. "We could not be prouder to be associated with such an extraordinary representative of the dairy community." 

*Listen to their interview on Dairy Stream. Thank you to Dairy Farmers of Wisconsin for sponsoring this podcast.*

# It's time to lean on us: DBA is here for you



**By Nicole Barlass,**  
director of member  
relations

This year was looking to be one of recovery for the dairy community. Milk prices were on the rise, we had hope that things were about to turn around, and then — coronavirus came.

Our dedicated farmers continue to get the work done, but the pandemic has crippled the industry by changing consumer buying, closing restaurants, shutting down institutions and schools, and creating logistical nightmares.

Now more than ever, it is time to lean on us.

Together, we will make sure that dairy is not forgotten as

our government and the public try to keep our economy functioning. DBA is working to ensure our elected officials know what you are going through and what you need to continue farming. We are answering member questions daily and providing you with critical resources to keep you informed during this volatile time.

Our team at DBA was among the first in dairy to create a COVID-19 resources webpage for members. We meet daily to assess what we were hearing from members to help focus our attention. Through member phone calls, emails and survey responses, we learn what is worrying you most and align our support.

We have seen the tremendous value in

our partnerships. Our collaboration with the Wisconsin Cheese Makers Association, Dairy Farmers of Wisconsin and others has made us all more effective in navigating the challenges. Early conversations with these partners allowed our team access to critical information that enabled us to be proactive as more issues and questions arose.

DBA continues to be a one-of-a-kind network of people and resources. When government rolls out programs so fast that even the administrations and agencies rolling them out can't answer questions, we

are there to provide you with insight. Alongside our experts, we have a plethora of others willing and able to provide our membership with critical information that allows you to make the best decisions.

Keep your eyes peeled for upcoming Dairy Stream podcasts, DBA webinars and email alerts that keep you apprised of the most important developments and what they mean for you. Also, share this information with others on your farm or in your businesses. Reach out to me or any other team member if you would like to add owners or employees to our email lists.

Sticking together as a united dairy community through DBA is one of the best decisions we can make right now. Our team is here for you. 🇺🇸

***If a member of your team would like to receive DBA communications, please send their email to [info@dairyforward.com](mailto:info@dairyforward.com).***



**DBA is working to ensure our elected officials know what you are going through and what you need to continue farming.**

## Farm Center: Ready to lend a hand

From Rick Hummell, DATCP

Whether you're experiencing a critical need or simply exploring options for the future, the Wisconsin Farm Center is ready to lend a hand to Wisconsin's farmers and agribusinesses.

Since the mid-1980s, thousands of farm families have turned to the Farm Center, which provides an extensive array of services to farmers, often in cooperation with the university, governmental or private sectors. Those services include, among others:

- Financial and business consultation
- Farm succession planning
- Farm ownership transition planning
- Conflict mediation
- Production and herd-health challenges
- Legal and financial mediation
- Vouchers for professional counseling services
- Services are provided at no cost, and all information is confidential.

Farm Center staff have more than a half century of agricultural management experience and are available to work with every type of farming operation, of every size, and anywhere in the state. The goal of the Farm Center is to help farmers be successful.

Farmers and agribusiness owners can contact the Farm Center at 1-800-942-2474 or by email [farmcenter@wisconsin.gov](mailto:farmcenter@wisconsin.gov). 🇺🇸



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