Election year’s main event comes Nov. 3

Contribute to DBA’s Dairy PAC and make your voice heard

By Chad Zuleger, associate director of government affairs

With the August primary election in the rearview mirror, the main event is rapidly approaching. On Election Day, Nov. 3, Americans will elect a president, a new House of Representatives and 35 Senate members.

At the same time, here in Wisconsin, we will elect a new state Legislature. Sixteen Senate and all 99 Assembly seats are on the ballot.

The Dairy Business Association’s government affairs team is engaged with candidates, sharing what is important to Wisconsin’s dairy community. Working with candidates and incumbents across the state, we are helping would-be elected officials better understand dairy’s role in rural Wisconsin and appreciate dairy’s impact on the state’s economy. We anticipate making endorsements in several races, and you will know about those as soon as they are finished.

By engaging candidates in an election (continued on page 2)
Wisconsin Farm Support Program: The state Department of Revenue and Department of Agriculture, Trade and Consumer Protection concluded the second round of Wisconsin Farm Support Program payments through the Federal CARES Act. Gov. Tony Evers announced $50 million in aid payments to farmers from money Wisconsin received under the federal CARES Act, with $41.4 million being disbursed during the first round. In the second application period, eligibility criteria were lowered to allow for applicants with 2019 farm gross receipts between $10,000 and $5 million (previously the floor was $35,000). Payments will again be between $1,000 and $3,500 depending on the number of applications.

DBA was a lead advocate for use of CARES Act funding for farmers across all commodities to help navigate the devastating impacts of COVID-19, including the massive disruption to the food supply chain.

Veterinary telehealth: Gov. Evers approved an expanded scope statement to an administrative rule that includes veterinary telehealth. The Veterinary Examining Board is establishing an ad-hoc committee to help draft the rule. DBA is seeking participation by members to ensure animal agriculture and large animal veterinarians are included on that committee. If you are a veterinarian, or you know another DBA member who might be interested in more information, contact Chad Zuleger at czuleger@dairyforward.com.

Policy Radar

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What is the DBA Dairy PAC?

DBA needs your help, as we support candidates for office who will work with the dairy community and who will seek DBA’s input as laws and regulations are crafted. Your Political Action Committee (Dairy PAC) contribution is an easy way to get involved in supporting pro-dairy candidates. Please consider making a contribution as soon as possible. A contribution of $100, $200 or more will bolster DBA’s efforts to elect candidates who will have a positive impact on dairy policy for the next two to four years.

You can contribute easily:

By mail — Send a personal check made out to “Dairy PAC” to the DBA office at 2763 Manitowoc Road, Green Bay, WI 54311.

Online — Go to DBA’s website (dairyforward.com) and click “Advocacy” at the top of the page and then “Dairy PAC” in the dropdown. Follow the instructions and be sure you are using a personal credit card.

Corporate or business contributions to Dairy PAC are prohibited.

If you have questions or would like to learn more about Dairy PAC and how you can make a positive impact on dairy policy, please reach out to me at Chad Zuleger at czuleger@dairyforward.com.
Dairy has found opportunity in crisis

By John Umhoefer, Wisconsin Cheese Makers Association

"Along with danger, crisis is represented by opportunity."

The extraordinary economic disruption sparked by COVID-19 has revealed strategic truths about the dairy industry that no brainstorming session or market forecasting could have ever unveiled. When then-Senator John F. Kennedy offered that quote at the height of the Cold War, the U.S. produced 1.3 billion pounds of cheese — just 10 percent of cheese production today.

His words ring true for the dairy industry during this current crisis. Any marketer that declared dairy a “mature” category should be stunned to see how Americans have flocked to natural cheese, butter, sour cream and even cottage cheese in the months since March. Total grocery store sales are up 11.6 percent nationwide this year and total dairy sales are up 15 percent.

Butter continues to astound with sales up 31 percent this year compared to the same weeks last year and butter remains hot even into summer. In the week ending July 26, butters sales were up 25 percent.

Cheese is the other grocery store star, with sales up 16 percent this year. Wholesale block cheddar pricing at the Chicago Mercantile Exchange camped out above $2.50 per pound from June 2 to July 24, yet consumer cheese purchasing averaged well over 20 percent growth during those two months. Cheese is a crucial part of America’s diet.

Certainly, food service sales are seriously hampered, throwing markets and pricing signals into chaos, but lost dairy sales at restaurants, schools and institutions are due to closed doors, not consumer disinterest. Processors remain bearish on foodservice growth in this third quarter of 2020.

Pizza sales are an exception to foodservice pessimism: sales among the large chains remain strong with Domino’s reporting sales up 16 percent in the second quarter, Papa John’s up 28 percent, and Pizza Hut U.S. sales rising 1 percent. Even frozen pizza sales are up 34 percent in March through July.

Finding opportunity in crisis is evident in strong dairy and cheese exports in the first half of 2020. Cheese exports in June were 38,427 tons, 29 percent more than last year and the most ever in a month. Low cheeses prices presented opportunity and manufacturers responded quickly with sales abroad.

Similarly, USDA’s Farmers to Families Food Box Program has moved $2.6 billion worth of dairy, meat and produce to families in need this summer. Add these new domestic sales to export growth, and strong retail sales and a slow revival in the food service sector and you end up with a wholesale cheese market rocketing to $3 per pound in July.

It has been nothing short of miraculous to see dairy farms weather dismal prices this spring and dairy manufacturers pivot within days to new market opportunities, new market channels; and deliver quality, wholesome dairy products in the most uncertain economy of our lifetimes. Dairy has found opportunity in crisis.
Let’s face it, insurance isn’t everyone’s favorite topic; it’s right up there with taxes! Not many people actually look forward to sitting down and reviewing insurance, except maybe us insurance agents.

However, as a result of this, people avoid reviewing their coverage annually or when their circumstances change. Every day, insurance professionals talk with their clients about assessing risk. Many times, these quick check-ins can catch gaps in coverage. Good insurance agents will call or stop in often to make sure there aren’t any issues that need to be discussed. Here are some important things to consider when preparing for your insurance review.

**WHAT TO LOOK FOR**

**Liability coverage:** One of the biggest gaps I find in insurance policies is low liability limits. These limits should be adequate to your farm’s asset valuation or a percentage of your annual revenues. Too often, I see a farm with 1,000 or more acres and $5 million farm inventory with only $1 million in liability protection. Compared to property coverage, liability is a minimal cost but at times can be the most important.

**Consistent deductibles:** This can be a surprise come claim time. Often, I see farm personal property will have a different deductible than outbuildings. Sometimes deductibles can also vary between homes and outbuildings. Some policies are per occurrence and others are per building. Make sure you’re aware of your policy. Per occurrence means if one windstorm comes through and damages four buildings, only one deductible applies. Whereas, if you have a per building deductible, that may be $2,500 per building.

**Important endorsements:** Recently, many companies have added extra add-on coverage that can come in handy. Milk contamination and farm income are the two most significant ones related to dairy farm operations. Milk contamination coverage can help replace wasted milk due to a covered...
5 WAYS TO CONTROL YOUR PREMIUM

1) Review deductible options. Some farms can handle larger deductibles than others. By using proper risk management strategies, you can take calculated risks to save money in the long run.

2) Review building valuations occasionally. Each year, inflation protections will increase the building limits, which usually grow correctly. However, over time, these values can be checked to see if you are overinsured. It’s just as important, though, to make sure you are not underinsured on significant structures. Also, verify if you have replacement cost valuation or actual cash value.

3) Review farm personal property limits. Most of this coverage is written on an actual cash value basis, meaning you will only get paid on a market or depreciated value. If you have a tractor covered at $150,000 this year, but next year it depreciates to $138,000, you need to update that on your equipment blanket. You can control premium this way, and why pay for values of equipment if you wouldn’t get paid the same amount for it?

4) Review a peak season type endorsement. This can help remove coverage during non-busy times. With spikes in grain, seed, feed or cattle, you can use these kinds of endorsements to purchase coverage while you have a higher need versus covering them all year long.

5) Review your coverage annually. Sometimes, if you go claims free, there may be premium consideration underwriters can give based on your loss ratio.

Taking the time to review your coverage on a consistent basis could be the difference between a devastating financial loss and a minor bump in the road.
Kinnard Farms: An innovative approach

Kinnard Farms is built on the backs of family members over generations who have had one common way of thinking, staying innovative. The dairy farm, located in Casco, Wis., has been ahead of the curve for some time with its forward-thinking approach.

The farm, which milks 8,000 cows, is seen for being on the leading edge of technology and science in the dairy community in the Midwest. It's the only dairy farm in the country to have a sand recycling setup that dries its own sand to be reused for cow comfort and health.

“I think humankind is always looking for a better way to do things,” said Lee Kinnard, who is the CEO of Kinnard Farms. “I really enjoy looking into the science and technology for dairy farms. I like the ability to be able to move our staff forward. That is what really drives me, moving things forward and making it better.”

The visionary thinking went into the sand recycling operation the farm has been using for eight years, with the last three years including the dryer portion on one of its two setups. During the 1980s Kinnard Farms began using sand as bedding for its herd; but sand is very hard on machinery, is costly and didn’t fit the farm’s conservation practices.

Now — after involving mining, manure and drying companies, who all invested in the project — every grain of sand on the farm is reused for the herd. Of the many benefits, Kinnard has witnessed mastitis on the farm becoming non-existent.

“My brother in-laws were also behind the thinking and we all thought, “There has to be a better way for the environment and one that is better economically,” Kinnard said. “Better, as in how do we do it more efficiently? How do we do it with a smaller footprint? All of the above to help the cow in the end?”

Reducing its footprint is among Kinnard’s reasons for recycling sand this way. The numbers were tabulated, and each cow was using 15 tons of sand per year. With 8,000 cows, that means the farm was trucking in 120,000 tons of sand each year or 5,000 truckloads. In addition to no longer trucking in new sand, the farm reuses an average of 15 million gallons of fresh water from the barns to wash the sand in the process. The savings from not purchasing sand, not having to truck sand away and reusing water equates to nearly 18,000 fewer truckloads on local roadways.

In the end, the sand recycling operation is better for the environment and the community.

“All of it comes back to how sustainable or renewable can we be?” Kinnard added. “The main driving force for the sand recycling is the thought of “we’re bringing this stuff in, but it’s going out with a second use.” It’s about working to sustain our land, waters and our economies, while also achieving the ability to actually regenerate, and that’s really the term we use on-farm — regenerating.”
DBA and Edge boost communications team

Steven Schauer, an experienced communications professional, has joined DBA, where he is helping shine a brighter light on the good work of the organization’s members.

In a new communications specialist role, Schauer is putting strong storytelling skills to work while assisting in social media, news media relations and member communications. He is particularly focusing on the progress of a growing number of innovative farmer-led watershed conservation groups that DBA closely supports through the Dairy Strong Sustainability Alliance.

“Communication is critically important in any business and today it may be as important as ever for our dairy farmers, as customers are keenly interested in how food is produced and who is producing it,” Tim Trotter, executive director of DBA, said. “We are fortunate to have found someone with Steven’s skills and passion for telling great stories to bolster our team.”

Schauer has worked in communications for more than a decade and most recently served for nine years as the director of athletic communications at Concordia University Wisconsin. He also previously worked with the Green Bay Packers and at the University of Louisiana at Monroe. He has a background in news media and creating content in written, social media and video forms.

Get to know Steven

My wife and I recently bought a home in De Pere, Wis., and are glad to be back in the area after 15 years away from seeing family on a regular basis. We have two children, Marty and Page, and a terrier mix named Darcy. We had laid down roots in the Grafton, Wis., area the past six years, as we both went to college in southeastern Wisconsin.

What should DBA members know about you?

I value my family and being able to provide a quality life for them. Many hours of thought and discussion went into making this career change and moving back home. A large part of that discussion was giving our children the chance to be around their grandparents and family on a consistent basis. When I am not with family you’ll likely find me on the golf course, as the sport is a passion of mine.

What are you most looking forward to in this role?

The opportunity to tell the story of the hard-working men and women in the dairy community. I have always felt that farmers are undervalued and underappreciated, and highlighting their work more often and more creatively will help advance the industry as a whole. The more I can help in being a voice for the farming community, the more that customers will understand what goes into producing their cheese, milk, yogurt and all of the dairy products we value and enjoy each and every day.

Contact Steven at (920) 471-9896 or sschauer@voiceofmilk.com

Members benefit from insurance discounts

Hastings Mutual Insurance has been a long-standing partner with the Dairy Business Association. The company offers commercial, farm and personal lines of products through valued independent agency partnerships in six Midwestern states.

Working closely with DBA has provided independent agents the opportunity to have a strong on-farm focus. Fifteen agencies promote and sell for Hastings Mutual around Wisconsin have chosen to partner directly with DBA as corporate members. We look forward to seeing the agents increasingly present at DBA events and activities throughout the year.

As a DBA member, you can receive a 10 percent special group discount on your Hastings Mutual farm owner’s policy premium. Here is a list of agencies that have opted to participate in the program. Find more information about these agencies under the Membership tab online at dairyforward.com. Click on Membership Benefits and then Hastings Mutual Insurance Discount.

Have your voice heard: Text alerts connect you with lawmakers

Speak Out! Text DAIRY to 50457

DBA is excited to offer a new service for members to receive timely information through text alerts. Simply text DAIRY to 50457. You will be sent a link to complete your profile, which includes your name, phone number and address.

Contact John Holevoet at jholevoet@dairyforward.com with questions.