The Challenges and Opportunities for U.S. Dairy Policy

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“A” Midwest Dairy Producer Perspective

- Grew up in a family business that processed milk into cheese and ingredients
- Integrated into milk production in the late nineties
- Have traveled internationally extensively as a function of the ingredient business
- Companies have always been innovative and focused upon the needs of the markets
“A” Midwest Dairy Producer Perspective
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- Have been trained to focus on costs of production and protecting revenue
- Price takers in our business
- Most of our efforts have always been about optimizing yields and minimizing costs and searching for the most attractive markets – in a competitive industry
“A” Midwest Dairy Producer Perspective

- Milk 6,300 (soon to be 9,500) Jersey cows in Minnesota
- Maintain 8,000 replacement animals on two sites
- Employ around 95 employees
- Process and apply 70 million gallons of nutrients on about 5,000 acres annually
“A” Midwest Dairy Producer Perspective

- Markets work if they are not distorted to accommodate utopian thoughts
- Free markets are competitive
- We feel we need to get continuous improvement in costs of production in order to thrive long term
- Products should be produced where markets support that production
The Federal Government's Role in Dairy Policy

- Immigration law
- Environmental regulation
- Animal care standards and disease protection
- Economic policy
U.S. Dairy Policy Challenges

- Immigration Policy
  - Need to be able to utilize workforce currently in place in a legal fashion
  - Need to assimilate employees into the tax system in an equitable fashion
  - Eliminate the criminal element for embedding into the system
  - Maintain the ability to source labor
U.S. Dairy Policy Challenges

- Environmental Regulation
  - Nonsensical, naïve implementation of regulations – exhaust, manure, milk
  - Redundancy with Federal, State, County, and Townships and redundancy within those levels – water example
U.S. Dairy Policy Challenges

- **Animal Care Regulation**
  - Protection of our herd against disease
  - Societal pressures vs. science
  - Protecting businesses from falsified and improper surveillance as a means to an end
  - Putting extremists in the right perspective
U.S. Dairy Policy Challenges

- Economic Policy
  - Complicated and expensive Federal Order system
  - Flawed price discovery system
  - Too much tinkering by Government distorting markets and amplifying volatility
  - How much of something to produce ought to be up to the producer and in the best interest of his or her business
U.S. Dairy Policy Opportunities

- Development of an immigration policy that secures our borders
- Provide a means for workers currently here to continue employment unless they commit crimes
- Provide for avenues to fill entry-level jobs with willing, capable employees
U.S. Dairy Policy Opportunities

- Utilize common sense and sound science when developing environmental regulations
- Work with industry in a partnership to solve challenges instead of the tone of cynical surveillance
U.S. Dairy Policy Opportunities

- Utilize sound science in developing animal husbandry regulations that help facilitate the production of safe, abundant and affordable food products
- Develop monitoring that doesn’t provide opportunities for special interest groups to utilize covert methods to sensationalize exceptions to achieve special interest goals
U.S. Dairy Policy Opportunities

- Dairy producers need the proper tools available to them to navigate volatility
- Safety net is needed from the Government
- Futures market is needed from the marketplace
- The ability to manage your business without interference from the government
Summary

- The government’s role should be one of helping facilitate a marketplace that allows American free enterprise and innovation to build healthy, profitable and adaptable businesses that can serve legitimate markets at home and abroad in a manner consistent with our history in a democracy and free market system – anything less is doomed to eventual failure.
Thank you for your attention